Quarterly Report third quarter 2015

ABN AMRO Group N.V.

Notes to the reader

Introduction

This report presents ABN AMRO's result for the third quarter of 2015 as well as for the first nine months of 2015. The report contains a strategic and economic update, our operating and financial review and selected risk, capital, liquidity and funding disclosures. This report represents our Quarterly Report for the third quarter of 2015 and includes our Condensed Consolidated Interim Financial Statements for the third quarter of 2015 as well as for the first nine months of 2015.

Presentation of information

The Condensed Consolidated Interim Financial Statements in this report have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and are reviewed by our external auditor. Some disclosures in the Risk, funding & capital information section of this report are part of the Condensed Consolidated Interim Financial Statements and are labelled as 'reviewed' in the respective tables or headings.

To provide a better understanding of the underlying results, ABN AMRO has adjusted its results reported in accordance with EU IFRS for defined special items and material divestments.

The balance sheet line item Commercial loans has been renamed Corporate loans in order to avoid any confusion with the Corporate Banking sub-segment Commercial Clients.

This report is presented in euros (EUR), which is ABN AMRO's presentation currency, rounded to the nearest million (unless otherwise stated). All annual averages in this report are based on month-end figures. Management does not believe that these month-end averages present trends that are materially different from those that would be presented by daily averages.

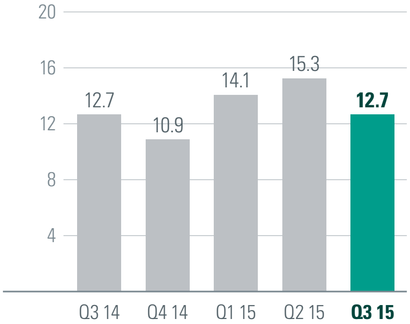
Certain figures in this report may not tally exactly due to rounding. In addition, certain percentages in this document have been calculated using rounded figures.

For a download of this report or more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com.

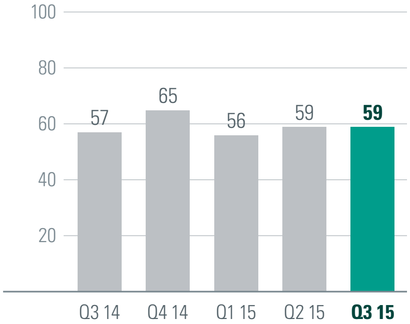
table of contents

figures at a glance

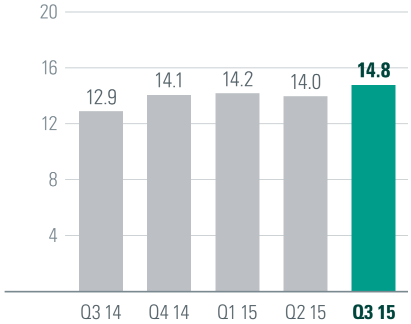
Underlying return on equity
Target range is 10-13 (in %)



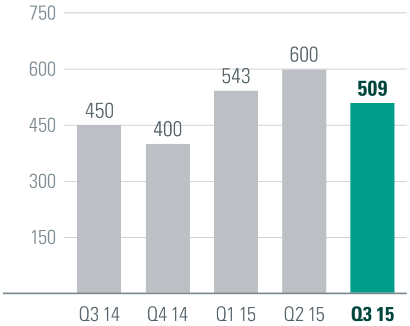
Underlying cost/income ratio
2017 target range is 56-60 (in %)



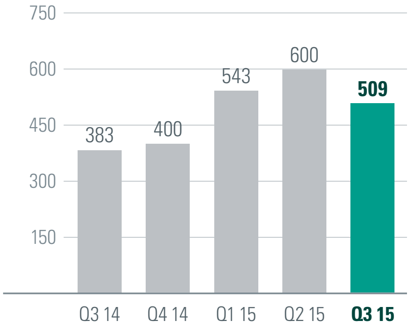
CET1 (fully-loaded)
Target range is 11.5-13.5 (in %)



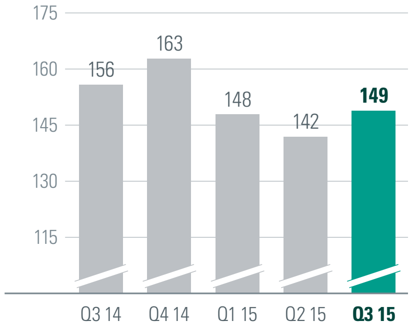
Underlying net profit
(in millions)



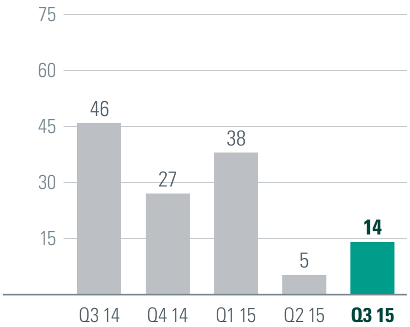
Reported net profit
(in millions)



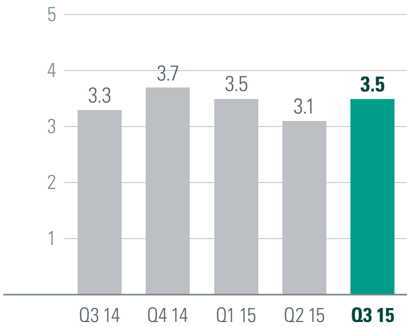
Underlying net interest margin
(in bps)



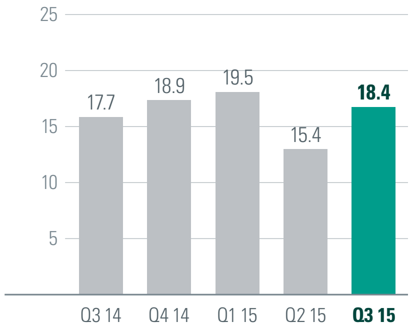
Underlying cost of risk
(in bps)



Leverage ratio (fully-loaded, CDR)
(end-of-period, in %)



Total capital ratio (fully-loaded)
(end-of-period, in %)



message from the Chairman of the Managing Board

This past quarter we achieved several commercial successes and delivered a good set of financial results. We also announced an upward revision of our financial targets, and preparations for the bank's intended IPO continued to progress on schedule.

Starting with the results, the third-quarter underlying net profit amounted to EUR 509 million (13% higher compared with Q3 2014), bringing the underlying net profit for the first nine months of 2015 to EUR 1,652 million (an increase of 44% compared with 9M 2014). The improvement was achieved on an increase in the operating result and sharply lower impairments, a trend also seen in previous quarters, with operating income (up 8% compared with 9M 2014) benefiting from mortgage renewals, new production and growth in the corporate loan book. Operating expenses were up by 7% compared with 9M 2014. This increase was due to a rise in pension expenses on the back of a lower discount rate and costs of external staffing for various IT and digitisation projects as well as investments to update and improve the quality of our client files and electronic archives.

We are investing in two large programmes. The first one relates to our core IT infrastructure and will transform the group-wide IT platform into a less complex and more agile system, also making it easier to introduce new products going forward. We will reduce the number of IT platforms and will move IT applications to a private cloud environment. The first application was already moved in recent weeks. The second programme, at Retail Banking, will accelerate our digital banking proposition to ensure that we maintain a leading offering in both mobile and internet banking. These two programmes aim to contribute to a controlled cost development in the long term, despite continued change costs as a result of continuously changing regulatory requirements. Savings generated by these strategic initiatives relate partly to FTE optimisation and will be recorded as from 2017 onwards.

The underlying cost/income ratio for the first nine months of 2015 was 58%. Loan impairments benefited from stringent credit monitoring, balanced portfolio intake and the improvement of the Dutch economy. The effective tax rate, however, was higher than normal. This all resulted in an underlying net profit of EUR 1,652 million for the first nine months, bringing the ROE to 14.0%, compared with 11.0% for the same period in 2014. If we had included the regulatory levies, which will all be recorded in Q4 2015, equally over the four quarters, the cost/income ratio for the first nine months of 2015 would have been 61% and the return on equity would have been 12.7%. The regulatory levies are expected to be EUR 246 million pre-tax and EUR 210 million net of tax and will have a significant impact on the net profit of the fourth quarter. The capital position (fully-loaded CET1 ratio) was 14.8% at the end of September 2015, up from 14.0% at the end of June 2015.

These figures show that we are well on track to achieving our targets. Last September we announced that we had raised two of the three financial targets and added a new one following a careful review of our financial performance. The previous targets - a CET1 ratio of 11.5-12.5%, a C/I ratio of 56-60% and an ROE of 9-12% - all date back to early 2013. The new targets are:

- a fully-loaded Common Equity Tier 1 ratio of 11.5-13.5%
- a cost/income ratio of 56-60% by 2017
- a return on equity of 10-13% in the coming years
- a dividend payout ratio of 50% as from and over the full year 2017

The new targets reflect regulatory uncertainty, including the discussion on RWA standardisation (Basel IV). At the same time, they underscore the expected strong capital generation, enabling us to increase the dividend payout ratio from 40% of the 2015 net profit to 50% of the 2017 net profit. Once regulatory uncertainty has subsided, these financial targets will be reviewed again. Based on the review of the financial performance and as part of the new financial targets, ABN AMRO is now providing additional guidance on some key indicators of its financial performance. For further details, please refer to the section *Update on financial targets*.

In the past quarter, we successfully launched an inaugural EUR 1 billion transaction of Additional Tier 1 capital, thereby building up the buffer of loss-absorbing instruments. This transaction, as well as active management of our on- and off-balance sheet exposures, resulted in a 0.4 percentage point increase of the fully-loaded leverage ratio to 3.5% at 30 September 2015.

We were the largest provider of new mortgages in the Netherlands in the past two quarters, with market shares of 23% and 22% respectively. In the fourth quarter we expect our market share to be lower. We have also made several improvements to our product offering. Going forward, ABN AMRO and Florius will grant mortgages to people with flexible employment contracts (using a statement of prospects as the basis for establishing income security) and we have enhanced our mobile banking app by enabling clients to access their credit card details. In addition, the ABN AMRO Social Impact Fund, which was launched in 2013, made its eighth investment. The fund invests via direct participations in companies with a social goal and a dual profit motive: social/sustainable and financial. Furthermore, we launched a Digital Impact Fund, which will invest in start-up companies that have already launched a product and are currently in a growth phase.

And lastly, preparations for the bank's intended IPO continue to progress on schedule. The banking syndicate was appointed at the end of August, and on 27 October 2015 NLFI and ABN AMRO confirmed their intention to proceed with the next step towards listing ABN AMRO on Euronext Amsterdam. It was announced that the intended IPO will consist of a secondary offering of depositary receipts for shares in ABN AMRO. The offering and timing are subject to market conditions, among other things. The approval of the Dutch Parliament and the declarations of No Objection of DNB and the ECB have been received.

All in all, our performance, the outlook for the Dutch economy and the fact that preparations for the bank's IPO are on track give us confidence in the future.

Gerrit Zalm
Chairman of the Managing Board

update on financial targets

Financial targets

As announced on 9 September 2015, ABN AMRO revised its strategic financial targets following a careful review of its financial performance and the strategic targets which had been set for 2017. These targets, which were announced early 2013, were a CET1 ratio of 11.5-12.5%, a C/I ratio of 56-60% and an ROE of 9-12%.

Based on this review, ABN AMRO announced that it raised its financial ambitions, which resulted in the upward revision of two financial targets and the addition of a new one. The new targets are:

- a fully-loaded Common Equity Tier 1 ratio range of 11.5-13.5%
- a cost/income ratio of 56-60% by 2017
- a return on equity of 10-13% in the coming years
- a dividend payout ratio of 50% as from and over the full year 2017

To account for regulatory uncertainty, including the discussion on RWA standardisation (Basel IV), ABN AMRO already has a relatively high fully-loaded CET1 ratio. The wider range for the new CET1 target provides flexibility to absorb regulatory changes and increasing requirements over time. ABN AMRO will assess its capital position once the implementation of Basel IV is clear. If, based on that assessment, ABN AMRO considers that it has excess capital, it will, subject to authorisation by the ECB where required, return this excess capital to its shareholders.

The revised ROE target is based on the bank's strong performance in 2014 and the first half of this year. Going forward, ABN AMRO expects that a number of developments should be taken into consideration; for example, increasing regulatory levies and the costs for a higher required level of subordinated instruments to meet the leverage ratio, MREL and TLAC requirements. Most of these developments will also impact the C/I ratio. Nevertheless, the C/I target was not amended.

The increase of the targeted dividend payout ratio from 40% of the 2015 reported net profit to 45% of the 2016 reported net profit and 50% of the 2017 reported net profit is underpinned by the expected strong capital generation while allowing for a further build-up of capital.

Guidance

Based on the review of its financial performance, ABN AMRO is also providing additional guidance on some key indicators of its financial performance.

Volumes and margins

ABN AMRO does not provide guidance on the net interest margin (NIM, which is defined as net interest income divided by average total assets), given the relative volatility of the total assets due to the securities financing activities. The development of net interest income is largely related to EUR 262 billion in Loans and receivables - customers on the balance sheet at 30 September 2015, 63% of the total balance sheet. Therefore, guidance is provided for the main portfolios with regard to re-pricing and volumes.

With regard to the mortgage loan book, ABN AMRO expects some further re-pricing of low margin 10-year mortgages originated in 2005 and 2006 to take place up to and including 2016. In addition, it expects pressure on the mortgage loan book volume driven by regulation on the tax deductibility of mortgage coupons (incentivising clients to take amortising loans) and elevated voluntary repayments given low savings interest rates. The ambition is to keep the mortgage loan book stable relative to the market. Whether the ambition will be met in the coming years depends largely on repayment levels going forward and on market share in new production.

With regard to the corporate loan book, most of the re-pricing is already done in the Commercial Clients segment although some additional scope for re-pricing remains. Loan volumes in this segment are expected to grow in line with the Dutch economy. For International Clients, ABN AMRO believes that the re-pricing has already been completed. Volume growth is mainly expected to come from the ECT loan book, although at a more moderate pace than in recent years and more in line with world trade.

In relation to deposits, Dutch banks are cautious about lowering deposit rates given the natural Dutch funding gap. When repricing deposits, the pricing of mortgages is also taken into account as well as deposit pricing by competitors.

Growth in client assets in Private Banking is expected to be in line with the domestic markets in which the private banking businesses operate (Western Europe 4% (CAGR 2013-2018)) (McKinsey Global Wealth Survey 2014). Pressure on margins is expected to come from MiFID II. MiFID II requires full price transparency on costs and charges, irrespective of receiving inducements. ABN AMRO expects to counter the pressure on gross margins by focusing on total client assets and discretionary portfolio management growth, as well as on further efficiency gains.

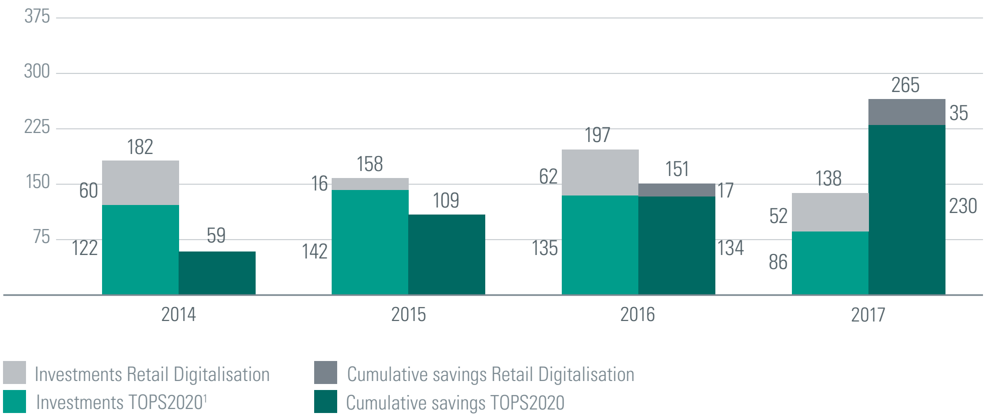
Cost/income ratio development

The cost/income ratio target range of 56-60% by 2017 is expected to be reached in 2017. In 2015 and 2016 the C/I ratio is expected to be above 60% based on the increase in regulatory levies (expected to be approximately EUR 246 million in 2015, to be recorded in the fourth quarter, and EUR 325 million in 2016) and the investments in two strategic programmes (TOPS2020 and Digitalisation in Retail Banking) in the coming years. In addition to the regulatory levies, the cost/income ratio is expected to be negatively impacted by costs for a higher required level of subordinated instruments to meet MREL and TLAC requirements. Net savings from the two programmes (see chart below for expected annual investments and expected cumulative annual recurring savings) are expected to start materialising in 2017, mitigating the impact of the increased regulatory levies and leading to a further decrease of the C/I ratio after 2017.

ABN AMRO intends to price in the costs associated with regulatory levies and requirements. This will be a gradual process as this can only be done at origination, contract renewal and/or interest rate reset.

TOPS2020 and Retail Digitalisation investments and savings

(in millions)



[1] 2013 also included an investment for TOPS2020 of EUR 25 million).

Cost of risk

As announced with the Q2 2015 results, the estimated average through-the-cycle cost of risk for the group is 25-30bps. The estimated average through-the-cycle cost of risk for the largest loan portfolios are:

- Mortgage loans: 5-7bps
- Corporate Banking loans: 40-60bps

In addition, the expected cost of risk for the Retail Banking consumer loan book (including loans to SMEs with a turnover up to EUR 1 million) for 2015 is in the range of 100-120bps. The cost of risk of Private Banking loans in 2014 of 14bps can be viewed as a more representative cost of risk for this business than the level recorded in the first nine months of 2015. The volatility in the Private Banking cost of risk in the past is not expected to be seen in the future due to stricter acceptance criteria, improved credit monitoring and the rationalisation of our product offering aligned with the moderate risk profile of ABN AMRO. Lastly, the estimated average through-the-cycle cost of risk for ECT Clients loans is expected to be below the estimated average through-the-cycle cost of risk for Corporate Banking loans.

Tax rate

The effective tax rate for the group is expected to be broadly in line with the corporate tax rate in the Netherlands of 25% in the coming years. For 2015, the effective tax rate is expected to be higher than what is expected in the coming years due to a re-assesment of the tax position. The effective tax rate for the first nine months of 2015 was 29%.

Group Functions

ABN AMRO strives to realise an underlying net result in Group Functions, which is broadly break-even going forward. For 2015 the result will be negative due to some one-off items.

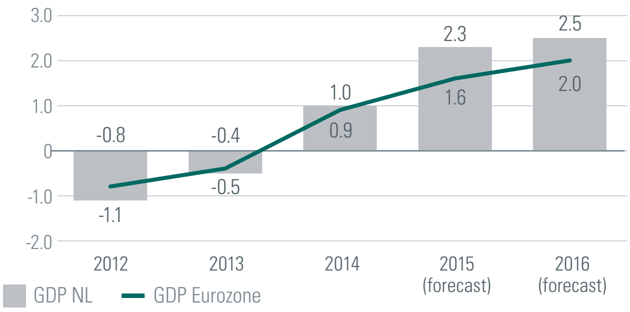
economic environment

Uncertainty surrounding global and financial markets developments was high in the third quarter. This was mainly due to disappointing developments in emerging economies, especially China. Available data suggests that growth of world trade as well as global GDP has slowed.

The US economy continued to grow, although the pace of expansion slowed in Q3, probably temporarily. Economic indicators for the Eurozone suggest that the economy expanded at about the same pace as in Q2. It seems that robust domestic demand in the Eurozone is largely compensating for the slowdown in exports to emerging markets. Economic growth in the Eurozone is supported by lower oil prices, the past fall in the euro, lower financing costs and further improvements in the credit channel.

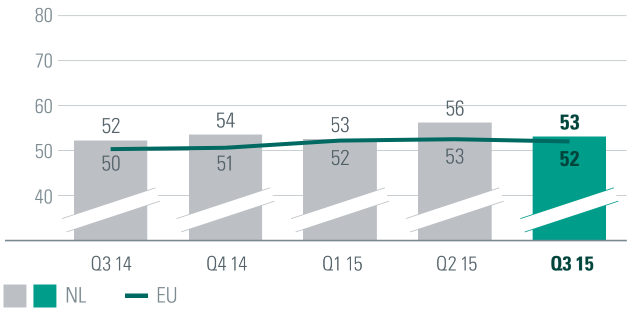
In the first two quarters of the year, the Dutch economy grew by an average of 0.4% compared with the preceding quarters. Available economic data suggests that the economy continued to grow at a similar rate in the third quarter. Exports rose strongly year-on-year in July and August, partly due to the fall of the euro in the past - and despite weakness in emerging economies. Private consumption has been boosted by the improvement in real disposable income and stronger consumer confidence. Nevertheless, year-on-year consumption growth slowed slightly in July and August. Investment growth remained robust in these two months. Sentiment indicators held up well in Q3, pointing to further growth in economic activity.

Annually development of Gross Domestic Product
(in % y-o-y growth)



Source: ABN AMRO Group Economics, Eurostat and CBS

Purchasing Managers' Index
(>50: growth, <50: contraction, end-of-period)

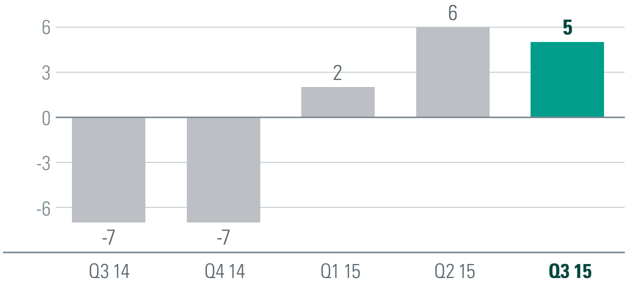


Source: Markit

- July-August data on exports, investment and private consumption point to continued GDP growth in Q3;
- Sentiment indicators in July-September also suggest further growth;
- Our estimate for Q3 GDP growth is around 0.5% quarter-on-quarter (average growth Q1-Q2 was 0.4%).

- Manufacturing PMI fell in Q3, following a rise in Q2;
- At Q3 the PMI was still well above 50, the turning point between contraction and growth;
- Dutch PMI was higher than the Eurozone figure (52) at Q3.

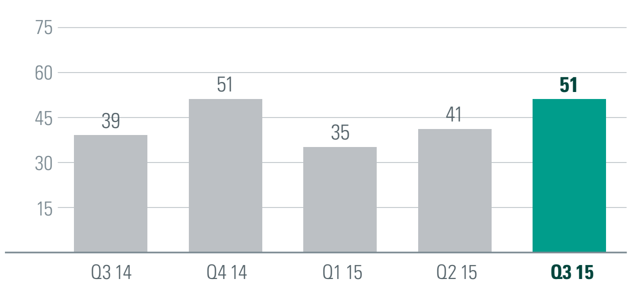
Consumer confidence
(as % balance of positive and negative answers, end-of-period)



Source: CBS

- Consumer confidence edged marginally lower, on balance, in Q3;
- At +5 (end Q3), confidence is significantly higher than the long-term average (approximately -8);
- The October figure (8) suggests that the improvement in confidence did not come to an end in Q3.

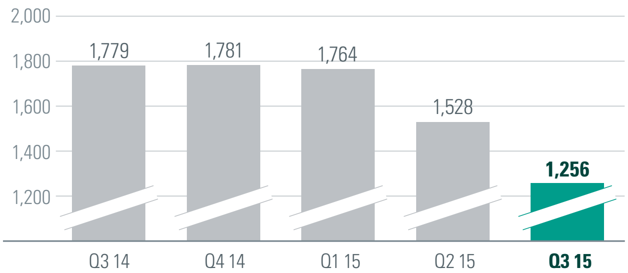
Number of houses sold in the Netherlands
(in thousands)



Source: CBS

- Number of houses sold rose by 29% year-on-year in Q3 (+19% y-o-y in H1);
- Stronger increase despite less favourable borrowing and income criteria for home buyers;
- The rise in house prices accelerated to 3.5% y-o-y in September (from 2.6% in June).

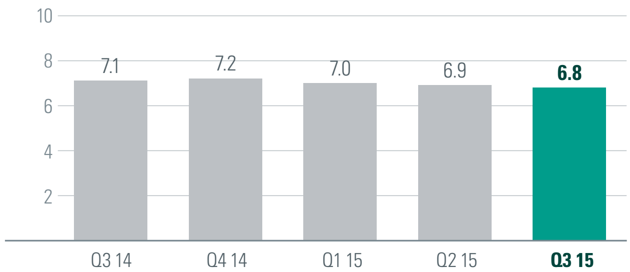
Bankruptcies in the Netherlands
(number of bankruptcies)



Source: CBS

- Number of bankruptcies dropped further in Q3 (-18% against Q2);
- In Q3, the number was 29% lower than in Q3 of last year;
- Decline is attributable to the better economic climate;

Unemployment in the Netherlands
(in % of total labour force, end-of-period)



Source: CBS

- Unemployment fell only slightly further in Q3;
- This was due to a very slight rise in the total number of jobs;
- The number of hours worked, however, increased more strongly than the number of jobs.

financial results

operating and financial review

This operating and financial review includes a discussion and analysis of the results of operations and sets out the financial condition of ABN AMRO Group on the basis of underlying results. For a reconciliation of reported versus underlying results, please refer to the additional financial information section of this report.

As of 2015, ABN AMRO has extended the definition of assets under management for the Group to include client assets in Retail Banking and changed the name of assets under management to client assets. Client assets include cash and securities of clients held on accounts with ABN AMRO. The development of client assets is explained for Private Banking.

Income statement

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	1,524	1,530	-0%	1,511	1%	4,580	4,403	4%
Net fee and commission income	449	419	7%	456	-1%	1,375	1,260	9%
Other operating income	136	61	124%	159	-14%	449	246	82%
Operating income	**2,109**	**2,009**	**5%**	**2,126**	**-1%**	**6,403**	**5,910**	**8%**
Personnel expenses	619	591	5%	615	1%	1,852	1,747	6%
Other expenses	615	557	11%	632	-3%	1,847	1,705	8%
Operating expenses	**1,234**	**1,147**	**8%**	**1,247**	**-1%**	**3,700**	**3,452**	**7%**
Operating result	**875**	**862**	**2%**	**879**	**-0%**	**2,703**	**2,457**	**10%**
Impairment charges on loans and other receivables	94	287	-67%	34		381	990	-62%
Operating profit/(loss) before taxation	**781**	**575**	**36%**	**845**	**-8%**	**2,322**	**1,467**	**58%**
Income tax expense	272	125	118%	244	11%	670	317	112%
Underlying profit/(loss) for the period	**509**	**450**	**13%**	**600**	**-15%**	**1,652**	**1,151**	**44%**
Special items		-67					-417	
Reported profit/(loss) for the period	**509**	**383**	**33%**	**600**	**-15%**	**1,652**	**734**	**125%**

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	59%	57%	59%	58%	58%
Underlying return on average Equity	12.7%	12.7%	15.3%	14.0%	11.0%
Net interest margin (NIM) (in bps)	149	156	142	146	150
Underlying cost of risk (in bps)[1]	14	46	5	19	51

	30 September 2015	30 June 2015	31 December 2014
Client Assets (in billions)	306	322	302
FTEs	22,101	22,151	22,215

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Third-quarter 2015 results

ABN AMRO's **underlying profit** for the third quarter of 2015 amounted to EUR 509 million, up by EUR 59 million compared with the same period last year, reflecting a sharp decline in impairments. Compared with Q2 2015, underlying profit decreased by EUR 91 million, due to higher impairment charges and a higher effective tax rate.

The **underlying return on equity (ROE)** was 12.7% in the third quarter of 2015, equal to the third quarter of 2014. If the expected regulatory levies, to be recorded in Q4 2015, had been divided equally over the quarters, ROE would have been 11.4% in Q3 2015 (versus an adjusted ROE of 12.0% in the same period of 2014).

The **regulatory levies** to be recorded in Q4 are expected to be EUR 246 million (versus EUR 91 million for the Dutch bank tax in 2014) and consist of EUR 103 million bank tax (tax exempt), EUR 28 million for the Deposit Guarantee Scheme (DGS) (tax deductible and amount pending finalisation of regulation) and EUR 115 million for the National Resolution Funds (NRF) (tax deductible and amount pending finalisation of regulation).

Net interest income amounted to EUR 1,524 million in the third quarter of the year, remaining nearly flat compared with Q3 2014.

Margins on the mortgage book improved due to continued gradual re-pricing at higher margins, in particular mortgages that originated pre-crisis. The impact of re-pricing of the mortgage book in recent years continues to contribute to higher NII levels. This was partly offset by lower average mortgage loan volumes.

Interest income on consumer loans decreased due to declining average loan volumes and slightly lower margins.

The average corporate loan volume grew compared with Q3 2014, mainly at International Clients. The increase was driven chiefly by volume growth in the ECT Clients loan portfolio (including currency developments). Average corporate loan volumes in Commercial Clients showed a limited decline. The margins on corporate loans were slightly higher than in Q3 2014.

These developments were, however, offset by several negative one-offs in Q3 2015 compared with Q3 2014.

The net interest margin (NIM) in the third quarter of 2015 was 149bps, 7bps below the Q3 2014 level. Compared with Q2 2015, the NIM improved 7bps.

Net fee and commission income, at EUR 449 million in Q3 2015, was EUR 30 million higher than in Q3 2014. The increase was primarily recorded in Corporate Banking (Clearing) and, to a lesser extent, in Private Banking.

Other operating income income amounted to EUR 136 million in Q3 2015, up by EUR 75 million compared with Q3 2014. This increase was mainly related to favourable hedge accounting-related results at Group Functions as a result of interest rate developments and favourable revaluation results and divestments at Equity. Participations on the back of improved market conditions. CVA/DVA/FVA results were also EUR 17 million less negative in Q3 2015 (EUR 18 million negative in Q3 2015 versus EUR 35 million negative in Q3 2014).

Personnel expenses amounted to EUR 619 million in Q3 2015, an increase of EUR 28 million compared with Q3 2014. The third quarter of 2015 was impacted by EUR 18 million higher pension expenses due to lower discount rates and a restructuring provision related to the announced integration of the Jersey activities into ABN AMRO Guernsey.

Other expenses showed a marked increase of EUR 58 million to EUR 615 million in Q3 2015, compared to Q3 2014, but a marginal decline of EUR 17 million compared with Q2 2015. The increase was mainly driven by higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes). The third quarter of 2015 also included a EUR 55 million settlement with Vestia (a Dutch housing corporation). These increases were partly offset by a considerable VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014. The latter two developments also explain the development compared with the Q2 2015.

The **operating result** improved by EUR 13 million compared with the third quarter of 2014 and the **underlying cost/income** ratio increased by 2 percentage points to 59%. If the regulatory levies had been divided equally over the quarters, the cost/income ratio would have been 61% in Q3 2015 (versus 58% in Q3 2014).

Impairment charges on loans and other receivables amounted to EUR 94 million, down by EUR 193 million compared with the same quarter in 2014. The decrease in loan impairments was driven by stringent credit monitoring, balanced porfolio intake, and a continued improvement of the economic environment in the Netherlands. Consequently the quality of the Dutch loan portfolio improved. This also led to an Incurred But Not Identified (IBNI) release of EUR 61 million (which is based on loan losses in the previous 12 months).

The cost of risk for mortgages remained low with a charge of 6bps for the third quarter of 2015, slightly lower than the charge of 8bps in the same quarter of the previous year, but higher compared with the release of 6bps in Q2 2015, which included a significant IBNI release.

Loan impairments on corporate loans decreased sharply compared with Q3 2014. Impairments in Commercial Clients declined by a total of EUR 184 million. Impairment charges at International Clients were EUR 7 million higher than in the same period of the previous year.

Impairment charges rose by EUR 60 million compared with Q2 2015. This was due mainly to a lower level of IBNI releases (EUR 107 million in Q2 2015 versus EUR 61 million in Q3 2015).

The **underlying cost of risk** amounted to 14bps, down from 46bps in Q3 2014. Compared with Q2 2015, the cost of risk went up by 9bps.

The **effective tax rate** of 35% in Q3 2015 was negatively impacted by our reassessment of our tax position.

International results

ABN AMRO aims to selectively grow its international activities in line with the ambition to increase international operating income to 20-25% of total operating income in 2017.

Operating income from international activities grew by 11% compared with the third quarter of 2014 and represents 20% of overall operating income. The higher contribution made by international activities was driven mainly by volume growth in foreign ECT Clients (partly related to the USD currency impact) and increased activities at Capital Markets Solutions - Clearing.
Fee income in the international Private Banking activities also showed a marked increase.

Results for the first nine months of 2015

Underlying profit for the first nine months of 2015 amounted to EUR 1,652 million, up EUR 501 million compared with the same period of the previous year. The increase was mainly due to lower loan impairments and higher operating income, partly offset by higher expenses and a higher effective tax rate.

The **underlying return on equity (ROE)** increased to 14.0% in the first nine months of 2015, compared with 11.0% in the same period of 2014. If the expected regulatory levies to be recorded in Q4 2015, comprising the Dutch bank tax, the contribution to the European Resolution Fund, and the Deposit Guarantee Scheme, had been divided equally over the year, ROE would have been 12.7% in the first nine months of 2015 (10.3% in the first nine months of 2014).

Net interest income rose by EUR 177 million to EUR 4,580 million in the first nine months of 2015. The increase was primarily driven by improved margins on loans (mainly mortgages and, to a lesser extent, corporate loans) and higher average corporate loan volumes. In addition, lower funding costs due to lower credit spreads were partly offset by higher funding volumes and several non-recurring interest provisions in the first nine months of 2015.

Net fee and commission income, at EUR 1,375 million in the first nine months of 2015, was EUR 115 million higher than in the first nine months of 2014. The increase was primarily recorded in Private Banking, due to a favourable stock market performance in the first half of 2015, and in Corporate Banking on higher transaction volumes in Clearing.

Other operating income income amounted to EUR 449 million in the first nine months of 2015, up by EUR 203 million compared with the same period of the previous year. The increase was primarily driven by higher CVA/DVA/FVA results (EUR 56 million positive in the first nine months of 2015 versus EUR 46 million negative in the first nine months of 2014), favourable hedge accounting-related results at Group Functions as a result of interest rate developments and higher tax-exempt revaluation and divestment results at Equity. Participations on the back of improved market conditions. This was partly offset by a one-off tax-exempt provision in Group Functions related to the part of Securities Financing activities discontinued in 2009 and a one-off provision in Corporate Banking for an identified group of SMEs with possible interest rate derivative-related issues.

Personnel expenses amounted to EUR 1,852 million in the first nine months of 2015, up EUR 105 million compared with the same period of the previous year. The first nine months of 2015 were impacted by higher pension expenses due to lower discount rates and reorganisation provisions at Corporate Banking and Private Banking.

Other expenses increased by EUR 142 million to EUR 1,847 million. The increase was mainly driven by higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes). The third quarter of 2015 also included a EUR 55 million settlement with Vestia. These increases were partly offset by a considerable VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014.

The **operating result** improved to EUR 2,703 million, up by EUR 246 million compared with the same period last year, and the **underlying cost/income ratio** remained flat at 58%. If the expected regulatory levies had been divided equally over the four quarters, the cost/income ratio would have been 61% in the first nine months of 2015 (60% in the first nine months of 2014).

Impairment charges on loans and other receivables amounted to EUR 381 million, EUR 609 million lower than in the same period in 2014. The decrease in loan impairments was driven by stringent credit monitoring, balanced porfolio intake, and a continued improvement of the economic environment in the Netherlands. Consequently the quality of the Dutch loan portfolio improved. This also resulted in lower IBNI levels.

The first nine months of 2015 included an IBNI release of EUR 199 million whereas an addition to the IBNI allowances of EUR 86 million was included in the first nine months of 2014.

In addition, impairment charges were lower mainly at Retail Banking and Commercial Clients due to a further recovery of the Dutch economy and improved circumstances in the housing market.

The **effective tax rate** in the first nine months of 2015, at 29%, was negatively impacted by our reassessment of our tax position.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	30 September 2015	30 June 2015	31 December 2014
Cash and balances at central banks	20,738	15,132	706
Financial assets held for trading	8,592	6,648	9,017
Derivatives	20,695	21,262	25,285
Financial investments	40,412	41,140	41,466
Securities financing	35,475	35,526	18,511
Loans and receivables - banks	17,794	15,641	21,680
Loans and receivables - customers	261,742	266,776	261,910
Other	7,839	8,536	8,292
Total assets	**413,287**	**410,661**	**386,867**
Financial liabilities held for trading	2,940	3,602	3,759
Derivatives	24,624	24,206	30,449
Securities financing	25,901	22,592	13,918
Due to banks	18,487	17,909	15,744
Due to customers	228,529	230,322	216,011
Issued debt	79,126	79,626	77,131
Subordinated liabilities	9,660	9,938	8,328
Other	6,927	6,567	6,652
Total liabilities	**396,193**	**394,762**	**371,990**
Equity attributable to the owners of the parent company	16,089	15,885	14,865
Capital securities	993		
Equity attributable to non-controlling interests	12	14	12
Total equity	**17,094**	**15,899**	**14,877**
Total liabilities and equity	**413,287**	**410,661**	**386,867**

Main developments in total assets compared with 30 June 2015

Total assets increased by EUR 2.6 billion to EUR 413.3 billion at 30 September 2015. Loans and receivables - customers and Securities financing assets were lower, but this was partly offset by higher Cash and balances at central banks, Loans and receivables - banks, and Financial assets.

Cash and balances at central banks went up by EUR 5.6 billion to increase the liquidity buffer.

Financial assets held for trading increased by EUR 1.9 billion compared with 30 June 2015 to EUR 8.6 billion, mainly due to an increase in government bonds.

Derivative assets went down by EUR 0.6 billion, mainly reflecting the impact of movements in FX rates.

Financial investments decreased by EUR 0.7 billion as a result of bonds sold.

Securities financing assets was EUR 35.5 billion at 30 September 2015, virtually stable compared with 30 June 2015.

Loans and receivables - banks increased by EUR 2.2 billion compared with 30 June 2015, mainly as a result of higher collateral pledged on derivative positions.

Loans and receivables - customers

(in millions)	30 September 2015	30 June 2015	31 December 2014
Residential mortgages	148,535	148,642	148,402
Consumer loans	15,409	15,724	16,052
Corporate loans to clients[1]	80,874	82,235	80,065
Total client loans[2]	**244,818**	**246,602**	**244,519**
Loans to professional counterparties	9,165	11,499	9,635
Other loans[3]	7,255	8,421	6,777
Total Loans and receivables – customers[2]	**261,238**	**266,521**	**260,931**
Fair value adjustments from hedge accounting	5,028	4,924	5,739
Less: loan impairment allowance	4,524	4,669	4,761
Total Loans and receivables - customers	**261,742**	**266,776**	**261,910**

[1] Corporate loans excluding loans to professional counterparties.
[2] Gross carrying amount excluding fair value adjustment from hedge accounting.
[3] Other loans consists of loans and receivables to government, official institutions and financial markets parties.

Loans and receivables - customers decreased by EUR 5.0 billion compared with 30 June 2015 divided over all loan categories. In particular, corporate loans to clients, loans to professional counterparties and other loans declined.

Residential mortgages remained almost unchanged compared with 30 June 2015, at EUR 148.5 billion. New residential mortgage production in the Netherlands further increased compared with the previous quarter and more than compensated for redemptions in the third quarter. The market share in new mortgage production in Q3 2015 was 22%[1]. Mortgage loans in Private Banking outside the Netherlands declined somewhat.

Corporate loans to clients decreased specifically at ECT Clients (mainly resulting from lower commodities prices), while the Commercial Clients loan book remained stable compared with 30 June 2015.

Consumer loans declined somewhat to EUR 15.4 billion.

Loans to professional counterparties and other loans declined, driven mainly by lower volumes at Capital Markets Solutions.

Main developments in total liabilities compared with 30 June 2015

Total liabilities increased by EUR 1.4 billion compared with 30 June 2015, mainly related to increased Securities financing, partly compensated by lower Due to customers and Financial liabilities held for trading.

Financial liabilities held for trading came down by EUR 0.7 billion.

Derivative liabilities increased by EUR 0.4 billion to EUR 24.6 billion at 30 September 2015, mainly reflecting the impact of movements in mid- to long-term interest rates.

Securities financing increased by EUR 3.3 billion compared with 30 June 2015 to EUR 25.9 billion at 30 September 2015.

Due to banks increased by EUR 0.6 billion.

[1] Source: Dutch Land Registry (Kadaster).

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

Due to customers

(in millions)	30 September 2015	30 June 2015	31 December 2014
Retail Banking	98,996	99,375	95,915
Private Banking	66,665	67,509	62,902
Corporate Banking	60,498	60,810	54,740
Group Functions	2,369	2,629	2,454
Total Due to customers	**228,529**	**230,322**	**216,011**
Demand deposits	115,956	116,649	109,753
Saving deposits	94,233	94,552	88,655
Time deposits	18,183	18,906	17,459
Total deposits	**228,372**	**230,107**	**215,867**
Other due to customers	156	215	144
Total Due to customers	**228,529**	**230,322**	**216,011**

Due to customers decreased overall by EUR 1.8 billion, mainly driven by a EUR 0.8 billion decline in deposits at Private Banking due to a conversion from cash to securities. Both Corporate Banking and Retail Banking also declined slightly (EUR 0.3 billion and EUR 0.4 billion respectively) despite growth at MoneYou. In Q3 2015 ABN AMRO adjusted its market share calculation. This adjustment leads to a market share of 21%[1] in retail deposits at Retail Banking and Private Banking in the Netherlands at both 30 September 2015 and 30 June 2015 (compared to 23% as reported in the Q2 2015 Quarterly Report).

Issued debt decreased by EUR 0.5 billion to EUR 79.1 billion. Long-term funding increased EUR 0.6 billion mainly due to EUR 3.1 billion new issued funding (especially senior unsecured), partly offset by EUR 2.3 billion matured long-term funding. Short-term funding decreased by EUR 1.1 billion.

Subordinated liabilities decreased by EUR 0.3 billion to EUR 9.7 billion after the call of a EUR 1.7 billion Dutch State-held subordinated loan and the issuance of a EUR 1.4 billion (USD 1.5 billion) Tier 2 instrument.

Equity attributable to the owners of the parent company rose to EUR 16.1 billion. The increase was mainly the result of the reported profit for the first nine months of 2015, partly offset by the interim dividend payment over 2015 of EUR 350 million.

Capital securities represents the inaugural launch of EUR 1 billion of deeply subordinated securities qualifying as Additional Tier 1 capital.

Main developments of total assets and liabilities compared with 31 December 2014

Total assets increased by EUR 26.4 billion at 30 September 2015 from EUR 386.9 billion at 31 December 2014, mainly due to higher Securities financing assets and increased Cash and balances at central banks.

Total liabilities increased by EUR 24.2 billion compared with 31 December 2014 to EUR 393.0 billion at 30 September 2015, mainly due to higher Securities financing liabilities and Due to customers.

Equity attributable to the owners of the parent company rose to EUR 16.1 billion. The increase was mainly the result of the reported profit for the first nine months of 2015, partly offset by dividend payments (final dividend 2014 and intereim dividend 2015).

Capital securities represents the inaugural launch of EUR 1 billion of deeply subordinated securities qualifying as Additional Tier 1 capital.

[1] Source: De Nederlandsche Bank.

results by segment

The Results by segment section includes a discussion and analysis of the results of operations and of the financial condition of ABN AMRO Group at segment level for the third quarter of 2015 compared with the third quarter of 2014, on the basis of underlying results. A large part of the interest expenses and operating expenses incurred by Group Functions are allocated to the business lines through net interest income and other expenses, respectively.

Retail Banking

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	853	855	-0%	809	5%	2,497	2,494	0%
Net fee and commission income	133	130	2%	130	2%	395	397	-1%
Other operating income	3	9	-69%	8	-62%	20	27	-25%
Operating income	**988**	**994**	**-1%**	**946**	**4%**	**2,912**	**2,918**	**-0%**
Personnel expenses	121	122	-1%	121	-1%	367	374	-2%
Other expenses	389	353	10%	366	6%	1,123	1,064	6%
Operating expenses	**510**	**475**	**7%**	**487**	**5%**	**1,490**	**1,438**	**4%**
Operating result	**478**	**519**	**-8%**	**459**	**4%**	**1,422**	**1,480**	**-4%**
Impairment charges on loans and other receivables	52	70	-26%	3		90	361	-75%
Operating profit/(loss) before taxation	**426**	**448**	**-5%**	**456**	**-7%**	**1,333**	**1,119**	**19%**
Income tax expense	108	112	-4%	114	-6%	334	279	20%
Underlying profit/(loss) for the period	**319**	**336**	**-5%**	**342**	**-7%**	**999**	**840**	**19%**
Special items								
Reported profit/(loss) for the period	**319**	**336**	**-5%**	**342**	**-7%**	**999**	**840**	**19%**

Retail Banking's underlying profit was EUR 319 million, a decline of EUR 17 million compared with the third quarter of 2014. This decrease was mainly the result of higher operating expenses.

Net interest income remained almost flat compared with the third quarter of the previous year, amounting to EUR 853 million in Q3 2015.

Margins on mortgages improved compared with Q3 2014, due to the gradual re-pricing of the residential mortgage book. In particular, mortgages that originated pre-crisis have low margins. This was partly offset by lower average mortgage loan volumes.

Interest income on consumer loans decreased due to declining average loan volumes and slightly lower margins.

Interest income on deposits remained stable compared with the third quarter of 2014. Higher average saving volumes were offset by decreasing margins, as market rates declined at a faster pace than client savings rates.

Net fee and commission income showed a marginal increase compared with the same quarter of the previous year.

Personnel expenses declined by EUR 1 million due to lower average FTE levels, following a further reduction in branches. This was partly offset by higher pension expenses.

Other expenses were up EUR 36 million in Q3 2015. Higher expenses were mainly attributable to higher external staffing for processing increased mortgage production and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes).

Operating result decreased by EUR 41 million in Q3 2015. The **underlying cost/income ratio** increased by 4 percentage points to 52%. If the regulatory levies had been divided equally over the quarters, the cost/income ratio would have been 54% in Q3 2015 (49% in Q3 2014).

The **regulatory levies** to be recorded in Retail Banking in Q4 are expected to be EUR 110 million and consist of EUR 43 million for the bank tax, EUR 19 million for DGS and EUR 48 million for NRF.

Impairment charges on loans and other receivables were EUR 52 million in Q3 2015, down EUR 18 million from Q3 2014. The decline in impairments is visible in both the mortgage portfolio and the consumer loan portfolio. Impairments on the mortgage portfolio decreased on the back of improved conditions in the housing market, and the recovery of the Dutch economy contributed to a lower inflow of clients in the impaired portfolio, increased outflow and an improvement of the portfolio's risk profile. Consumer loans benefited from improved economic circumstances and active risk management of the portfolio of clients in arrears, leading to significantly lower loan impairments. This resulted in the cost of risk decreasing from 18bps in Q3 2014 to 13bps in Q3 2015.

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	52%	48%	51%	51%	49%
Underlying cost of risk (in bps)[1]	13	18	1	8	30

	30 September 2015	30 June 2015	31 December 2014
Loan-to-Deposit ratio	153%	153%	158%
Loans and receivables – customers (in billions)	156.1	155.9	156.0
Due to customers (in billions)	99.0	99.4	95.9
Risk-weighted assets (risk exposure amount; in billions)	35.6	36.0	36.8
FTEs	5,885	5,986	6,258

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Loans and receivables - customers increased slightly compared with the previous quarter of 2015, to EUR 156.1 billion. The Retail Banking mortgage portfolio showed a marginal increase compared with Q2 2015, as new production was higher than total redemptions.

Due to customers showed a marginal decrease of EUR 0.4 billion compared with 30 June 2015. MoneYou deposits increased and represent EUR 19 billion or 19% of total due to customers at Retail Banking, with 71% of MoneYou deposits recorded outside the Netherlands.

Client Assets

(in billions)	30 September 2015	30 June 2015	31 December 2014
Cash	99.0	99.4	95.9
Securities	15.2	16.6	16.0
Total Client Assets	**114.2**	**115.9**	**111.9**

Developments in the first nine months 2015

Retail Banking's **underlying profit** rose by EUR 159 million to EUR 999 million in the first nine months of 2015, up 19% compared with the first nine months of 2014, as a result of lower loan impairments.

Net interest income, at EUR 2,497 million, remained nearly stable compared with the same period of the previous year. Improved margins on mortgages resulting from the gradual re-pricing of the mortgage book were offset by lower lending volumes.

Interest income on deposits remained stable. Higher average savings volumes were offset by decreasing margins as market rates declined at a faster pace than client savings rates did.

Net fee and commission income, at EUR 395 million in the first nine months of 2015, was marginally lower than in the same period of the previous year. **Other operating income** was in the first nine months of 2015 also slightly lower than in the same period of 2014.

Personnel expenses decreased by EUR 7 million or 2% due to lower average FTE levels, following a further reduction in branches. This was partly offset by higher pension expenses.

Other expenses were up 6% to EUR 1,123 million in the first nine months of 2015. Higher expenses were mainly attributable to increased mortgage production and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes).

Operating result decreased by 4% to EUR 1,422 million in the first nine months of 2015. The **underlying cost/income ratio** increased by 2 percentage points to 51%. If the regulatory levies had been divided equally over the quarters, the cost/income ratio would have been 54% in the first nine months of 2015 (50% in the first nine months of 2014).

Impairment charges on loans and other receivables fell by EUR 271 million compared with the first nine months of 2014, to EUR 90 million in 2015. The decrease in impairments was visible in both the mortgage portfolio and the consumer loan portfolio. Improved circumstances in the housing market and the recovery of the Dutch economy contributed to a lower inflow of clients in the impaired portfolio, increased outflow and an improvement of the portfolio's risk profile.

In addition, the improvement of the Dutch economy and consequently the asset quality of the mortgage and consumer loan portfolios also led to releases from the IBNI allowances totalling EUR 73 million in the first nine months of 2015, while the previous year included an IBNI addition of EUR 40 million. Following these developments, the cost of risk declined from 30bps for the first nine months of 2014 to 8bps for the first nine months of 2015.

Private Banking

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	147	149	-1%	141	5%	440	441	-0%
Net fee and commission income	149	138	7%	163	-9%	470	404	17%
Other operating income	18	17	6%	33	-44%	81	47	71%
Operating income	**314**	**304**	**3%**	**336**	**-7%**	**992**	**892**	**11%**
Personnel expenses	133	116	15%	127	5%	382	337	13%
Other expenses	136	116	17%	131	4%	389	347	12%
Operating expenses	**269**	**232**	**16%**	**257**	**5%**	**771**	**684**	**13%**
Operating result	**45**	**73**	**-38%**	**79**	**-43%**	**221**	**208**	**6%**
Impairment charges on loans and other receivables	5	13	-59%	-6		-10	35	
Operating profit/(loss) before taxation	**40**	**60**	**-34%**	**85**	**-53%**	**231**	**173**	**33%**
Income tax expense	12	10	13%	13	-11%	43	28	56%
Underlying profit/(loss) for the period	**28**	**50**	**-43%**	**72**	**-61%**	**188**	**145**	**29%**
Special items								
Reported profit/(loss) for the period	**28**	**50**	**-43%**	**72**	**-61%**	**188**	**145**	**29%**

Private Banking's **underlying profit** decreased by EUR 22 million compared with the third quarter of 2014 to EUR 28 million in Q3 2015. Although operating income and lower loan impairments had a positive impact on the development of net profit, expenses increased at a higher pace. The acquired German private banking activities of Credit Suisse were consolidated as of 1 September 2014.

Net interest income amounted to EUR 147 million and was in line with the third quarter of 2014.

Net fee and commission income grew by EUR 11 million, or 7% compared with the same quarter of the previous year, to EUR 149 million in Q3 2015. Net fees increased due to a modest growth in client assets and the positive impact of full consolidation of the acquired German activities as from mid-Q3 2014. Compared with Q2 2015, Net fee and commission income decreased EUR 14 million due to lower client assets as a result of lower stock markets.

Personnel expenses increased by EUR 17 million to EUR 133 million in Q3 2015. The higher expenses were partly attributable to a restructuring provision related to the announced integration of the Jersey office into Guernsey. The acquired German activities and FX impact also led to higher expenses. In the Netherlands, personnel expenses increased due mainly to higher pension expenses.

Other expenses went up by EUR 20 million compared with Q3 2014 due primarily to higher project costs related to enhancing client centricity and client documentation and continuous improvement of products, services and IT processes (including TOPS2020 programme).

Operating result decreased by EUR 28 million compared to Q3 2014 and amounted to EUR 45 million in Q3 2015. The **underlying cost/income ratio** for Private Banking increased significantly to 86% in the third quarter of 2015. If the regulatory levies had been divided equally over the quarters, the cost/income ratio would have been 87% in Q3 2015 (76% in Q3 2014).

The **regulatory levies** to be recorded in Private Banking in Q4 are expected to be EUR 18 million and consist of EUR 5 million for the bank tax, EUR 7 million for DGS and EUR 6 million for NRF.

Impairment charges on loans and other receivables were EUR 5 million, down by EUR 8 million compared with Q3 2014.

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	86%	76%	77%	78%	77%
Underlying cost of risk (in bps)[1]	12	30	-14	-8	29

	30 September 2015	30 June 2015	31 December 2014
Loan-to-Deposit ratio	25%	25%	26%
Loans and receivables – customers (in billions)	16.5	17.0	16.7
Due to customers (in billions)	66.7	67.5	62.9
Risk-weighted assets (risk exposure amount; in billions)	8.7	8.7	8.3
FTEs	3,684	3,671	3,599

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Loans and receivables - customers decreased by EUR 0.5 billion compared with 30 June 2015 mainly due a slight decline in mortgage loans outside the Netherlands.

Due to customers showed a limited decrease of EUR 0.8 billion compared with 30 June 2015.

Client Assets

(in billions)	Q3 2015	Q2 2015	Q1 2015
Opening balance Client Assets	**206.1**	**209.0**	**190.6**
Net new assets	-3.3	1.5	3.7
Market performance	-11.5	-4.4	14.7
Divestments/acquisitions			
Other			
Closing balance Client Assets	**191.3**	**206.1**	**209.0**
	30 September 2015	30 June 2015	31 March 2015
Breakdown by type			
Cash	66.9	68.2	66.3
Securities	124.4	137.9	142.7
- of which Custody	31.6	37.2	39.5
Total	**191.3**	**206.1**	**209.0**
Breakdown by geography			
The Netherlands	48%	48%	48%
Rest of Europe	43%	42%	43%
Rest of the world	9%	9%	9%

Client assets decreased by EUR 14.8 billion in the third quarter to EUR 191.3 billion at 30 September 2015. The decrease was due mainly to lower market performance as a result of the negative sentiment on the stock markets. France contributed EUR 29 billion and Germany contributed EUR 33 billion to the international client assets in Q3 2015.

Net new assets were EUR 3.3 billion negative in the third quarter of 2015, mainly driven by the outflow of custody assets of a single client. This was only partly offset by the positive impact of transfers of Retail Banking clients and referrals from Corporate Banking to Private Banking. On average the client feeder channel from Retail Banking to Private Banking in the Netherlands has a positive NNA impact of approximately EUR 1-1.5 billion per year.

Developments in the first nine months of 2015

Private Banking's **underlying profit** advanced EUR 43 million compared with the first nine months of 2014 to EUR 188 million in the first nine months of 2015. The increase was mainly driven by higher operating income and lower loan impairments, partly offset by higher expenses. The acquired German private banking activities of Credit Suisse were consolidated as of 1 September 2014.

Net interest income amounted to EUR 440 million and was nearly stable compared with the same period in 2014.

Net fee and commission income increased by EUR 66 million, or 17% to EUR 470 million in the first nine months of 2015. Net fees increased due to higher client assets in the first half of 2015, benefiting from the strong stock market performance in that period. Private Banking also generated additional fee income from the acquired German activities.

Other operating income in 2015 was EUR 34 million higher, due to the sale of premises in the first half of 2015 and increased trading income.

Personnel expenses inceased by EUR 45 million to EUR 382 million in the first nine months of 2015. The increase in the international activities was mainly attributable to the acquired German activities, the restructuring provision for the announced integration of Jersey into ABN AMRO Guernsey, FTE growth and FX impact. In the Netherlands, personnel expenses increased due mainly to higher pension expenses.

Other expenses grew by EUR 42 million compared with the first nine months of 2014 to EUR 389 million. The increase was primarily related to higher project costs related to enhancing client centricity and client documentation and continuous improvement of products, services and IT processes (including TOPS2020 programme). The same period in 2014 included project costs for the acquisition in Germany.

Operating result went up by 6% to EUR 221 million. The **underlying cost/income ratio** for Private Banking was almost stable at 78% in the first nine months of 2015. If the regulatory levies had been divided equally over the four quarters, the cost/income ratio would have been 79% in the first nine months of 2015 (77% in the first nine months of 2014).

Impairment charges on loans and other receivables showed a net release of EUR 10 million, versus EUR 35 million impairment additions in the same period in 2014. The decrease in impairment charges is partially explained by a EUR 12 million IBNI release.

Corporate Banking

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	515	506	2%	543	-5%	1,597	1,473	8%
Net fee and commission income	187	153	22%	186	0%	565	471	20%
Other operating income	60	29	103%	91	-34%	224	114	96%
Operating income	**762**	**688**	**11%**	**820**	**-7%**	**2,385**	**2,058**	**16%**
Personnel expenses	166	156	6%	163	2%	510	460	11%
Other expenses	283	268	6%	289	-2%	846	787	8%
Operating expenses	**449**	**424**	**6%**	**452**	**-1%**	**1,356**	**1,247**	**9%**
Operating result	**313**	**264**	**19%**	**369**	**-15%**	**1,029**	**811**	**27%**
Impairment charges on loans and other receivables	41	217	-81%	40	3%	309	619	-50%
Operating profit/(loss) before taxation	**273**	**47**		**329**	**-17%**	**720**	**192**	
Income tax expense	54	6		80	-32%	148	38	
Underlying profit/(loss) for the period	**218**	**41**		**249**	**-12%**	**572**	**154**	
Special items								
Reported profit/(loss) for the period	**218**	**41**		**249**	**-12%**	**572**	**154**	

Corporate Banking's **underlying profit** increased by EUR 177 million compared with Q3 2014 to EUR 218 million in Q3 2015. The key drivers for the improvement were higher operating income and a sharp decrease in impairment charges, partly offset by higher operating expenses.

Net interest income increased by EUR 9 million compared with Q3 2014 to EUR 515 million in Q3 2015. The limited improvement was due mainly to Capital Markets Solutions and International Clients, partly offset by Commercial Clients.

Commercial Clients posted a decline in net interest income of EUR 11 million to EUR 305 million in Q3 2015. The margins on loans and average deposit volumes increased compared with Q3 2014. Average loan volumes and deposit margins decreased compared with the same quarter in 2014. However, loan volumes showed signs of improvement in recent months. The net positive impact of volumes and margin developments was more than offset by a negative one-off in Q3 2015.

Net interest income in International Clients increased modestly by EUR 6 million compared with Q3 2014, but declined by EUR 12 million from Q2 2015 as Q3 2015 was hampered by a one-off item. ECT Clients showed a steady growth in net interest income in line with previous quarters. In general, there is increasing pressure on deposit margins.

Net interest income in Capital Markets Solutions increased by EUR 15 million to EUR 38 million, mainly in Clearing, driven by increased market activity.

Net fee and commission income rose by EUR 34 million compared with Q3 2014 to EUR 187 million. Higher transaction volumes at Clearing from increased volatility in the financial markets drove fee growth.

Other operating income rose by EUR 31 million to EUR 60 million in Q3 2015. The increase was mainly driven by a less negative CVA/DVA/FVA impact compared with Q3 2014 (EUR 7 million negative in Q3 2015 versus EUR 46 million negative in Q3 2014). The tax-exempt revaluation and divestment results on the Equity Participations portfolio increased on the back of improved market conditions. This was partly offset by the termination of parts of the Capital Markets Solutions activities following the strategic review in 2014.

Personnel expenses amounted to EUR 166 million, up by EUR 10 million compared with the same period last year. Personnel expenses were impacted by higher pension expenses in the Netherlands.

Other expenses rose by EUR 15 million compared with Q3 2014. The increase was mainly related to higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 programme).

Operating result was EUR 313 million in Q3 2015, up EUR 49 million compared with the same quarter in 2014. The **underlying cost/income ratio** improved to 59% in the third quarter of 2015, from 62% in Q3 2014. If the regulatory levies had been divided equally over the quarters, the cost/income ratio would have been 63% in Q3 2015 (63% in Q3 2014).

The **regulatory levies** to be recorded in Corporate Banking in Q4 are expected to be EUR 126 million and consist of EUR 55 million for the bank tax (EUR 16 million Commercial Clients, EUR 15 million International Clients, EUR 23 million Capital Markets Solutions), EUR 1 million for DGS (Commercial Clients) and EUR 70 million for NRF (EUR 21 million Commercial Clients, EUR 20 million International Clients, EUR 29 million Capital Markets Solutions).

Impairment charges on loans and other receivables amounted to EUR 41 million, down by EUR 176 million compared with Q3 2014.

Loan impairments in Commercial Clients decreased substantially by EUR 184 million. Specific loan impairments in Commercial Clients were limited in Q3 2015; in combination with an IBNI release of EUR 56 million, this resulted in a net release of EUR 17 million.

Loan impairments in International Clients were EUR 58 million, which is EUR 7 million higher than in Q3 2014.

Loan impairments in Capital Markets Solutions were virtually zero and stable compared with Q3 2014.

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	59%	62%	55%	57%	61%
Underlying cost of risk (in bps)[1]	17	104	17	45	100

	30 September 2015	30 June 2015	31 December 2014
Loan-to-Deposit ratio	129%	135%	143%
Loans and receivables – customers (in billions)	85.5	90.3	85.0
Due to customers (in billions)	60.5	60.8	54.7
Risk-weighted assets (risk exposure amount; in billions)	56.8	58.9	53.5
FTEs	5,013	5,008	4,995

1 Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Loans and receivables - customers decreased to EUR 85.5 billion at 30 September 2015 compared with EUR 90.3 billion at 30 June 2015. The decline was mainly driven by lower volumes at Capital Markets Solutions. In addition, ECT Clients also showed a limited decrease of EUR 1.0 billion (mainly resulting from lower commodities prices).

Due to customers came to EUR 60.5 billion at 30 September 2015, virtually flat compared with 30 June 2015. An increase in deposits at Commercial Clients was offset by a decrease at both International Clients and Capital Market Solutions (Clearing).

Developments in the first nine months of 2015

Corporate Banking's **underlying profit** increased by EUR 418 million to EUR 572 million in the first nine months of 2015. The key drivers for the improvement were a significant rise in operating income and a sharp decrease in impairment charges. This was partly offset by a marked increase in operating expenses.

Net interest income increased by EUR 124 million to EUR 1,597 million. The improvement was seen in all of the sub-segments.

Commercial Clients posted a modest rise in net interest income of EUR 35 million to EUR 965 million in the first nine months of 2015. Commercial Clients benefited from increased margins on loans as well as higher average deposit volumes. Average loan volumes and deposit margins, however, decreased compared with the same period in 2014. The net positive impact of volumes and margin developments was partly offset by a negative one-off in Q3 2015.

Net interest income in International Clients increased by EUR 55 million to EUR 533 million, benefiting from growth in the ECT Clients loan portfolio and FX rate developments. This was partly offset by lower margins on deposits.

Net interest income in Capital Markets Solutions improved by EUR 34 million, mainly in Clearing, driven by increased market activity.

Net fee and commission income increased by EUR 94 million compared with the same period in 2014 to EUR 565 million. Fee growth was mainly driven by higher transaction volumes in Capital Markets Solutions resulting from increased volatility in the financial markets. Corporate Finance fees were also higher on the back of increased M&A activity.

Other operating income was up by EUR 110 million, rising to EUR 224 million in the first nine months of 2015. The increase was mainly driven by a higher CVA/DVA/FVA impact compared with the same period in 2014, which included first-time application of the FVA. Total CVA/DVA/FVA impact was EUR 34 million positive in the first nine months of 2015 versus EUR 53 million negative in the first nine months of 2014. Results further improved driven by volatility in the financial markets and favourable revaluation and divestment results on the Equity Participations portfolio, which increased on the back of improved market conditions. This was partly offset by a provision for possible derivative-related issues for a group of SMEs and the termination of parts of the Capital Markets Solutions activities following the strategic review in 2014.

Personnel expenses amounted to EUR 510 million, up by EUR 50 million compared with the same period last year. Personnel expenses were impacted by higher pension expenses. Both 2014 and 2015 included restructuring provisions.

Other expenses grew by EUR 59 million compared with the same period in 2014. The increase was mainly related to higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 programme).

Operating result went up by EUR 218 million to EUR 1,029 million in the first nine months of 2015. The **underlying cost/income** ratio improved to 57% in the first nine months of 2015 from 61% in the same period of 2014. If the regulatory levies had been divided equally over the four quarters, the cost/income ratio would have been 61% in the first nine months of 2015 (62% in the first nine months of 2014).

Impairment charges on loans and other receivables amounted to EUR 309 million, down by 50% compared with the same period in 2014. Impairment charges on Commercial Clients decreased significantly in the first nine months of 2015 compared with the first nine months of 2014. International Clients had lower impairments.

Corporate Banking - Commercial Clients

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	305	316	-3%	327	-6%	965	930	4%
Net fee and commission income	53	50	6%	50	6%	155	147	6%
Other operating income	7	9	-21%	7	12%	23	21	9%
Operating income	**365**	**375**	**-3%**	**383**	**-5%**	**1,144**	**1,098**	**4%**
Operating expenses	**202**	**189**	**7%**	**202**	**-0%**	**614**	**559**	**10%**
Operating result	**163**	**187**	**-13%**	**181**	**-10%**	**530**	**538**	**-2%**
Impairment charges on loans and other receivables	-17	167		44		210	506	-58%
Operating profit/(loss) before taxation	**180**	**20**		**136**	**32%**	**319**	**32**	
Income tax expense	45	4		34	33%	79	6	
Underlying profit/(loss) for the period	**135**	**15**		**102**	**32%**	**240**	**26**	
Special items								
Reported profit/(loss) for the period	**135**	**15**		**102**	**32%**	**240**	**26**	

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	55%	50%	53%	54%	51%
Underlying cost of risk (in bps)[1]	-17	160	44	69	161

	30 September 2015	30 June 2015	31 December 2014
Loans and receivables – customers (in billions)	38.1	38.1	38.1
Due to customers (in billions)	33.6	32.8	31.7
Risk-weighted assets (risk exposure amount; in billions)	22.0	22.3	20.8

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Corporate Banking - International Clients

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	172	166	3%	184	-7%	533	478	12%
Net fee and commission income	54	49	9%	51	6%	166	159	5%
Other operating income	21	12	78%	21	-3%	73	11	
Operating income	**246**	**227**	**8%**	**256**	**-4%**	**772**	**648**	**19%**
Operating expenses	**121**	**114**	**6%**	**117**	**3%**	**365**	**339**	**8%**
Operating result	**125**	**113**	**11%**	**139**	**-9%**	**407**	**309**	**32%**
Impairment charges on loans and other receivables	58	51	13%	-4		88	115	-24%
Operating profit/(loss) before taxation	**68**	**62**	**9%**	**143**	**-53%**	**319**	**194**	**65%**
Income tax expense	3	8	-68%	30	-91%	44	36	22%
Underlying profit/(loss) for the period	**65**	**53**	**21%**	**112**	**-42%**	**275**	**158**	**74%**
Special items								
Reported profit/(loss) for the period	**65**	**53**	**21%**	**112**	**-42%**	**275**	**158**	**74%**

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	49%	50%	46%	47%	52%
Underlying cost of risk (in bps)[1]	69	71	-5	35	55

	30 September 2015	30 June 2015	31 December 2014
Loans and receivables – customers (in billions)	32.2	33.8	32.2
Due to customers (in billions)	18.1	18.5	16.7
Risk-weighted assets (risk exposure amount; in billions)	22.8	23.7	19.9

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Corporate Banking - Capital Markets Solutions

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	38	23	66%	33	17%	99	65	51%
Net fee and commission income	80	54	48%	86	-6%	243	165	47%
Other operating income	32	9		63	-50%	128	82	56%
Operating income	**150**	**86**	**75%**	**182**	**-17%**	**470**	**313**	**50%**
Operating expenses	**125**	**121**	**3%**	**132**	**-5%**	**376**	**348**	**8%**
Operating result	**25**	**-36**		**50**	**-50%**	**94**	**-36**	
Impairment charges on loans and other receivables		-1	99%	-1	98%	11	-2	
Operating profit/(loss) before taxation	**25**	**-35**		**51**	**-50%**	**83**	**-34**	
Income tax expense	7	-7		16	-57%	26	-4	
Underlying profit/(loss) for the period	**18**	**-28**		**35**	**-47%**	**57**	**-30**	
Special items								
Reported profit/(loss) for the period	**18**	**-28**		**35**	**-47%**	**57**	**-30**	

Other indicators

	Q3 2015	Q3 2014	Q2 2015	Nine months 2015	Nine months 2014
Underlying cost/income ratio	83%	141%	73%	80%	111%
Underlying cost of risk (in bps)[1]	-2	-3	-2	7	-2

	30 September 2015	30 June 2015	31 December 2014
Financial assets held for trading (in billions)	8.5	6.5	8.9
Loans and receivables – customers (in billions)	15.3	18.4	14.7
Financial liabilities held for trading (in billions)	2.9	3.6	3.8
Due to customers (in billions)	8.8	9.5	6.3
Risk-weighted assets (risk exposure amount; in billions)	12.0	12.9	12.8

[1] Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Group Functions

Operating results

(in millions)	Q3 2015	Q3 2014	Change	Q2 2015	Change	Nine months 2015	Nine months 2014	Change
Net interest income	8	21	-60%	18	-55%	45	-5	
Net fee and commission income	-18	-3		-23	21%	-55	-11	
Other operating income	55	5		28	99%	123	58	114%
Operating income	**45**	**23**	**97%**	**23**	**97%**	**114**	**42**	
Personnel expenses	200	197	2%	204	-2%	594	576	3%
Other expenses	-193	-181	-7%	-154	-26%	-511	-492	-4%
Operating expenses	**7**	**16**	**-59%**	**50**	**-87%**	**83**	**83**	**-0%**
Operating result	**38**	**7**		**-28**		**31**	**-42**	
Impairment charges on loans and other receivables	-4	-13	71%	-2	-91%	-8	-25	68%
Operating profit before taxation	**42**	**20**	**112%**	**-26**		**39**	**-17**	
Income tax expense	99	-3		37		145	-28	
Underlying profit/(loss) for the period	**-56**	**23**		**-63**	**10%**	**-106**	**11**	
Special items		-67					-417	
Reported profit/(loss) for the period	**-56**	**-44**	**-28%**	**-63**	**10%**	**-106**	**-406**	**74%**

The **underlying result** of Group Functions was a loss of EUR 56 million in the third quarter of 2015 compared with a profit of EUR 23 million in Q3 2014

Net interest income decreased by EUR 13 million compared with the same period last year. Funding volumes grew further in Q3 2015 to increase the liquidity buffer. This was partly offset by lower funding costs due to lower credit spreads.

Net fee and commission income decreased by EUR 15 million, mainly driven by higher fees paid to Capital Markets Solutions related to Securities Financing activities. The client-related part of the operating income of Securities Financing is allocated to Capital Markets Solutions via net fee and commission income.

Other operating income went up by EUR 50 million compared with the same period in the previous year. In particular, hedge accounting-related results improved significantly, which was partly offset by EUR 22 million unfavourable CVA/DVA adjustments on the trading book loans (EUR 11 million negative in Q3 2015, EUR 11 million positive in Q3 2014).

Personnel expenses were nearly stable at EUR 200 million in the third quarter of 2015.

Other expenses decreased by EUR 12 million compared with the same period in 2014. The third quarter of 2015 contained a considerable VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014.

This was partly offset by a EUR 55 million settlement with Vestia and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes). The same period in 2014 included Asset Quality Review (AQR) expenses.

The majority of Group Functions' operating expenses are allocated to the commercial segments, which is included in the line item Other expenses as negative expenses.

Income tax in Q3 2015 was negatively impacted by our reassessment of our tax position.

Other indicators

	30 September 2015	30 June 2015	31 December 2014
Securities financing – assets	29.5	28.6	14.5
Loans and receivables – customers (in billions)	3.6	3.6	4.2
Securities financing – liabilities	23.6	19.8	12.6
Due to customers (in billions)	2.4	2.6	2.5
Risk-weighted assets (risk exposure amount; in billions)	9.5	11.3	11.0
FTEs	7,518	7,486	7,362

Securities financing assets increased by EUR 0.9 billion and Securities financing liabilities increased by EUR 3.8 billion compared with 30 June 2015.

Developments in the first nine months of 2015

The **underlying result** of Group Functions was EUR 106 million negative in the first nine months of 2015. This is a decline of EUR 117 million compared with the first nine months of 2014.

Net interest income increased by EUR 50 million compared with the same period last year. The increase was mainly driven by lower funding costs due to lower spread levels paid on funding. This was partly offset by our tax-exempt non-recurring provision related to the part of the Securities Financing activities discontinued in 2009 and higher funding levels.

Net fee and commission income decreased by EUR 44 million, mainly driven by higher fees paid to Capital Markets Solutions related to Securities Financing activities.

Other operating income increased by EUR 65 million compared with the same period in 2014. The increase was driven by favourable CVA/DVA adjustments on the trading book loans (EUR 22 million positive in the first nine months of 2015 and EUR 8 million positive in the first nine months of 2014) and significantly higher hedge accounting-related results. This was partly offset by our tax-exempt provision related to the part of the Securities Financing activities discontinued in 2009.

Personnel expenses, at EUR 594 million in the first nine months of 2015, went up by EUR 18 million compared with the same period in 2014. This increase was mainly driven by higher pension expenses and an increase in the number of FTEs.

Other expenses declined by EUR 19 million compared with the same period in 2014. This was due mainly to the considerable VAT refund this quarter, which was the result of discussions with the tax authorities related to the period 2007-2014. This was partly offset by the EUR 55 million settlement with Vestia and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes). The same period in 2014 was impacted by AQR project expenses. The majority of Group Functions' operating expenses are allocated to the commercial segments, which is included in the line item Other expenses as negative expenses.

Income tax expenses in the first nine months of 2015 were negatively impacted by our reassessment of our tax position and our tax-exempt Securities financing provision.

additional financial information

Overview of results in the last five quarters

The following table provides an overview of the quarterly results.

Quarterly results

(in millions)	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net interest income	1,524	1,511	1,545	1,620	1,530
Net fee and commission income	449	456	470	431	419
Other operating income	136	159	154	95	61
Operating income	**2,109**	**2,126**	**2,168**	**2,145**	**2,009**
Personnel expenses	619	615	619	650	591
Other expenses	615	632	600	748	557
Operating expenses	**1,234**	**1,247**	**1,219**	**1,397**	**1,147**
Operating result	**875**	**879**	**949**	**748**	**862**
Impairment charges on loans and other receivables	94	34	252	181	287
Operating profit/(loss) before taxation	**781**	**845**	**697**	**567**	**575**
Income tax expense	272	244	154	167	125
Underlying profit/(loss) for the period	**509**	**600**	**543**	**400**	**450**
Special items					-67
Reported profit/(loss) for the period	**509**	**600**	**543**	**400**	**383**

Difference between underlying and reported results

To provide a better understanding of the underlying results, ABN AMRO has adjusted its reported results for defined special items and material divestments.

Special items are material and non-recurring items which are not related to normal business activities. As of 2014, ABN AMRO has a higher materiality threshold to qualify as a special item.

Adjustments include past results from material divestments and the related transaction result. No material divestments took place in the reported periods in this report.

The following table presents the reconciliation from underlying to reported results.

Reconciliation from underlying to reported results

(in millions)	Q3 2015 Underlying	Q3 2015 Special items	Q3 2015 Reported	Q3 2014 Underlying	Q3 2014 Special items	Q3 2014 Reported	Q2 2015 Underlying	Q2 2015 Special items	Q2 2015 Reported
Net interest income	1,524		1,524	1,530		1,530	1,511		1,511
Net fee and commission income	449		449	419		419	456		456
Other operating income	136		136	61		61	159		159
Operating income	**2,109**		**2,109**	**2,009**		**2,009**	**2,126**		**2,126**
Personnel expenses	619		619	591		591	615		615
Other expenses	615		615	557	67	624	632		632
Operating expenses	**1,234**		**1,234**	**1,147**	**67**	**1,214**	**1,247**		**1,247**
Operating result	**875**		**875**	**862**	**-67**	**795**	**879**		**879**
Impairment charges on loans and other receivables	94		94	287		287	34		34
Operating profit/(loss) before taxation	**781**		**781**	**575**	**-67**	**508**	**845**		**845**
Income tax expense	272		272	125		125	244		244
Profit/(loss) for the period	**509**		**509**	**450**	**-67**	**383**	**600**		**600**

(in millions)	Nine months 2015 Underlying	Nine months 2015 Special items	Nine months 2015 Reported	Nine months 2014 Underlying	Nine months 2014 Special items	Nine months 2014 Reported
Net interest income	4,580		4,580	4,403		4,403
Net fee and commission income	1,375		1,375	1,260		1,260
Other operating income	449		449	246		246
Operating income	**6,403**		**6,403**	**5,910**		**5,910**
Personnel expenses	1,852		1,852	1,747	288	2,035
Other expenses	1,847		1,847	1,705	201	1,906
Operating expenses	**3,700**		**3,700**	**3,452**	**489**	**3,941**
Operating result	**2,703**		**2,703**	**2,457**	**-489**	**1,969**
Impairment charges on loans and other receivables	381		381	990		990
Operating profit/(loss) before taxation	**2,322**		**2,322**	**1,467**	**-489**	**978**
Income tax expense	670		670	317	-72	245
Profit/(loss) for the period	**1,652**		**1,652**	**1,151**	**-417**	**734**

Special items

(in millions)	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Operating income							
Total impact on Operating Income							
Operating expenses							
Pension settlement charge						288	
SNS Levy					67	67	67
Total impact on Operating expenses					**67**	**355**	**67**
Loan impairments							
Total impact on Loan impairments							
Total impact on Income tax expense						-72	
Total impact on result for the period					-67	-283	-67

The SNS levy amounted to a total of EUR 201 million recorded in 2014, spread over the first three quarters of 2014.

risk, funding & capital information

Certain IFRS disclosures in the Risk, funding & capital information section are labelled as 'Reviewed' in the respective headings.
These disclosures are an integral part of the Condensed Consolidated Interim Financial Statements and are covered by the Review opinion.

Key developments

Key figures

	30 September 2015	30 June 2015	31 December 2014
Total assets	413,287	410,661	386,867
Of which Residential mortgages	151,670	151,770	151,998
Of which Consumer loans	14,790	15,084	15,398
Of which Corporate loans	88,028	91,502	87,866
Total Exposure at Default (EAD)	376,828	377,587	350,762
Total RWA (REA)/total EAD	29.4%	30.4%	31.3%
Regulatory capital			
Total RWA (REA)	110,602	114,930	109,647
Of which Credit risk[1]	88,564	92,742	87,667
Of which Operational risk	16,227	16,227	16,168
Of which Market risk	5,810	5,961	5,811
Fully-loaded CET1 ratio	14.8%	14.0%	14.1%
Fully-loaded leverage ratio	3.5%	3.1%	3.7%
Credit quality indicators			
Forbearance ratio	3.4%	3.4%	3.1%
Past due ratio	1.6%	1.7%	2.1%
Cost of risk (year to date, in bps) - reported[2]	19	21	45
Cost of risk (year to date, in bps) - underlying[2]	19	21	45
Coverage ratio	56.5%	57.3%	53.6%
Impaired ratio	1.6%	1.6%	1.8%
Liquidity and funding indicators			
Loan-to-Deposit ratio	110.2%	111.1%	116.5%
LCR	>100%	>100%	>100%
NSFR	>100%	>100%	>100%

1 RWA (REA) for credit value adjustment (CVA) is included in credit risk. CVA per 30 September 2015 amounted to EUR 1.1 billion (30 June 2015 EUR 1.2 billion; 31 December 2014 EUR 1.3 billion).
2 Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Third-quarter developments

The Dutch economy continued to perform well in the third quarter of 2015. Exports, investments and household consumption contributed to growth. In addition, sentiment among both consumers and producers remained positive. Given the lower oil prices and cheaper euro, providing increased buoyancy, ABN AMRO's current forecast for GDP growth in the Netherlands for the full year is estimated at 2.3%[1]. Although our baseline scenario does not assume a hard landing of the Chinese economy, downside risks to the growth outlook for China and other emerging markets have increased.

Continued improved economic conditions combined with consistently stringent credit monitoring of our clients and a well balanced portfolio intake are reflected in a substantial decline in impairment charges, releases for IBNI allowances and lower amounts in arrears.

1 Source: Dutch Economy in Focus (ABN AMRO Group Economics, 10 September 2015).

Total impairment charges on loans and other receivables declined by EUR 193 million to EUR 94 million in Q3 2015, compared with EUR 287 million in the same period last year. This decline was mainly the result of low impairment charges in the Corporate loans portfolio. As a result of low impairment charges in Q2 2015 and Q3 2015, the cost of risk further declined to 19bps for the first nine months of 2015.

The Residential mortgage portfolio including fair value adjustment for hedge accounting remained relatively stable, amounting to EUR 151.7 billion at 30 September 2015. The Consumer loans portfolio declined marginally to EUR 14.8 billion at 30 September 2015. The Corporate loans portfolio decreased to EUR 88.0 billion at 30 September 2015, compared with EUR 91.5 billion at 30 June 2015. This decline was mainly the result of lower lending within Clearing and ECT Clients, largely due to lower commodity prices.

The forbearance ratio remained stable in the third quarter, at 3.4% at 30 September 2015, and the past due ratio decreased slightly to 1.6% at 30 September 2015 compared with 1.7 % at 30 June 2015. The coverage ratio decreased to 56.5%, compared with 57.3% at 30 June 2015. The impaired ratio remained stable at 1.6% at 30 September 2015, mainly as a result of a declined client lending portfolio.

Total RWA (REA) decreased by EUR 4.3 billion, amounting to EUR 110.6 billion at 30 September 2015, compared with EUR 114.9 billion at 30 June 2015. This movement was allocated mainly to credit risk. The decline in RWA (REA) was mainly the result of a decrease of EUR 2.1 billion in Corporate Banking and EUR 1.8 billion in Group Functions.

The decline in Corporate Banking was due mainly to lower business volume in the third quarter of 2015. Group Functions declined due chiefly to new EBA guidelines regarding deferred tax assets.

Total Exposure at Default amounted to EUR 376.8 billion at 30 September 2015, compared with EUR 377.6 billion at 30 June 2015. The increase of EUR 3.8 billion within Group Functions, which was mainly due to a rise in deposits at central banks, was offset by lower business volume within Corporate Banking and Retail Banking.

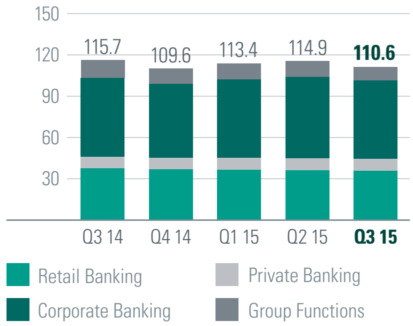
The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained above 100% at 30 September 2015.

The Loan-to-Deposit (LtD) ratio slightly improved to 110% at 30 September 2015 compared with 111% at 30 June 2015. The ratio improved mainly to a large increase in client deposits in all segments in the first half year.

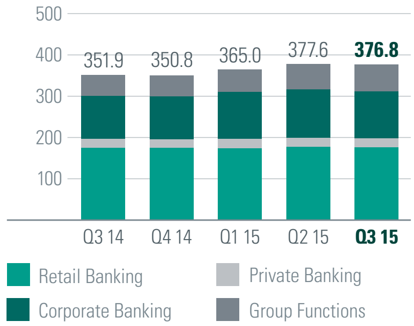
The fully-loaded Common Equity Tier 1 ratio has increased to 14.8% at 30 September 2015 and remains comfortably above regulatory minimum requirements. The fully-loaded CDR leverage ratio increased to 3.5% at 30 September 2015. The improvement was mainly driven by the EUR 1.0 billion Additional Tier 1 issuance in September 2015 and profit accumulation. The fully-loaded total capital ratio increased to 18.4% at 30 September 2015.

Quarterly developments

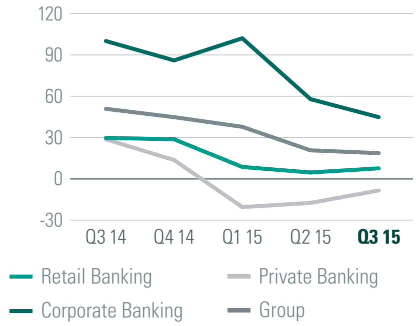
RWA (REA) per business segment
(end-of-period, in billions)



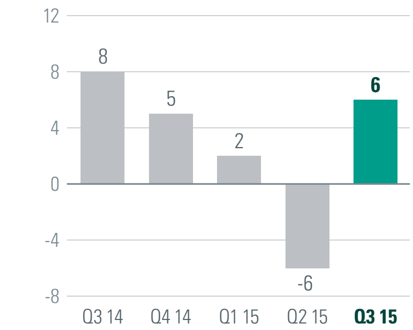
EAD per business segment
(end-of-period, in billions)



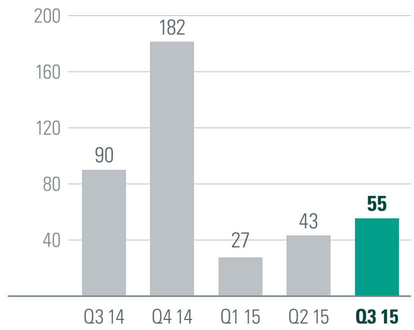
Cost of risk per business segment
(end-of-period, in bps)



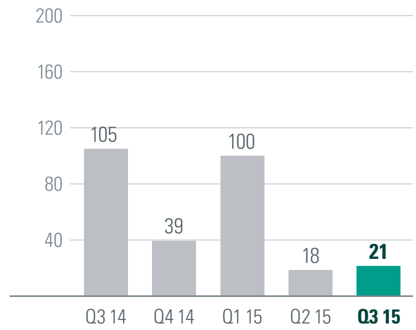
Underlying cost of risk per product
Residential mortgages (in bps)



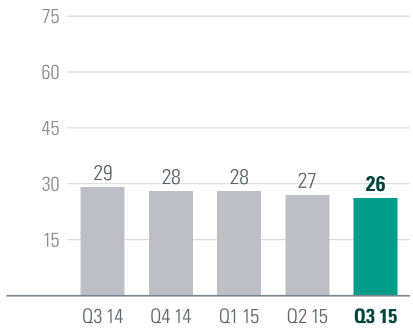
Consumer loans (in bps)



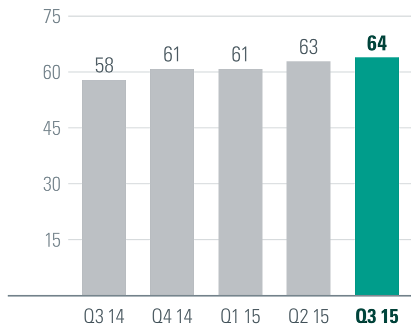
Corporate loans (in bps)



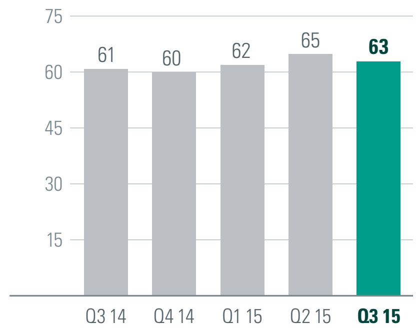
Coverage ratio
Residential mortgages (in %)



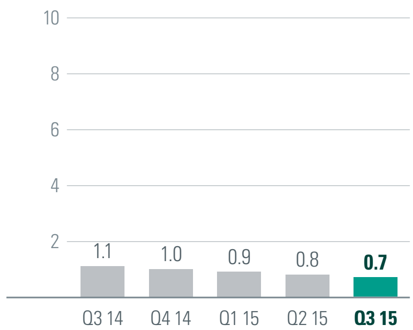
Consumer loans (in %)



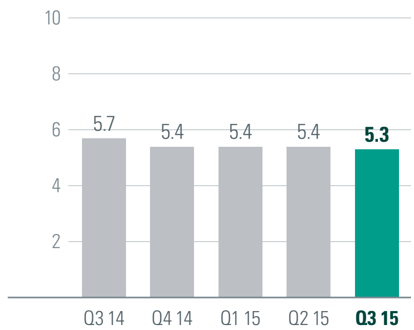
Corporate loans (in %)



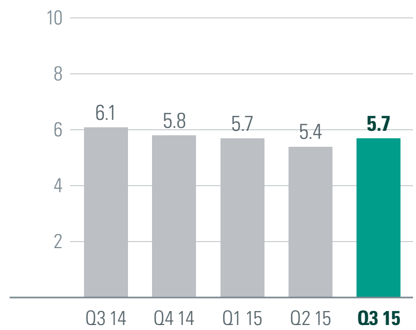
Impaired ratio
Residential mortgages (in %)



Consumer loans (in %)



Corporate loans (in %)



Developments in the first nine months

In the first nine months of 2015, the underlying cost of risk declined to 19bps compared with 51bps for the first nine months of 2014. The decline in cost of risk was driven mainly by lower impairment charges in the Corporate loans, Residential mortgages and, to a lesser extent, Consumer loans portfolios.

Impairment charges for Corporate loans decreased mainly as a result of a decline within the Commercial Clients portfolio. This decline was driven by several measures which had been taken in the past to raise risk awareness, while acceptance criteria were tightened, and files with a higher risk profile were proactively managed. Also the upturn in the economic environment contributed to the decline in impairment charges. Furthermore, total impairment charges declined due to an IBNI release of EUR 199 million.

The Residential mortgage portfolio including fair value adjustment for hedge accounting declined EUR 0.3 billion, coming to EUR 151.7 billion at 30 September 2015 compared with EUR 152.0 at year-end 2014. Excluding the fair value adjustment for hedge accounting, the Residential mortgage portfolio remained relatively stable. The Consumer loans portfolio also decreased to EUR 14.8 billion at 30 September 2015, down from EUR 15.4 billion at 31 December 2014. The Corporate loans portfolio remained fairly stable at EUR 88.0 billion at 30 September 2015 compared with year-end 2014.

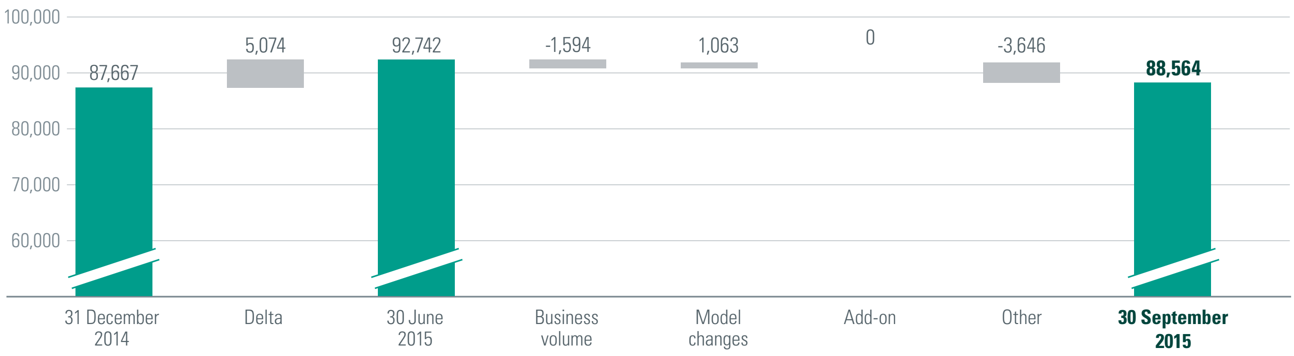
The forbearance ratio rose slightly to 3.4% compared with 3.1% at year-end 2014. This increase was due to the inflow of new forborne Corporate loans, mainly as a result of modifications to performing contracts. Past due ratio declined to 1.6% in the first nine months of 2015 from 2.1% at year-end 2014 , due mainly to the combination of our stringent credit monitoring and the upturn of the Dutch economy. The coverage ratio increased to 56.5% compared with 53.6% at year-end 2014. The impaired ratio decreased to 1.6% at 30 September 2015 compared with 1.8 % at year-end 2014.

Total RWA (REA), which is mainly related to credit risk, increased by EUR 1.0 billion, coming to EUR 110.6 billion at 30 September 2015, compared with EUR 109.6 billion at 31 December 2014. The increase in RWA (REA) was mainly the result of a rise in Corporate Banking, partly offset by a decline in RWA (REA) in Retail Banking and Group Functions.

Total Exposure at Default increased to EUR 376.8 billion at 30 September 2015, compared with EUR 350.8 billion at 31 December 2014, representing an increase of EUR 26.0 billion. This increase was largely driven by a EUR 14.9 billion rise in Group Functions, caused mainly by increased deposits at central banks and a EUR 9.5 billion rise in Corporate Banking due chiefly to increased business volume.

Credit risk

RWA (REA) flow statement credit risk
(in millions)



RWA (REA) decreased to EUR 88.6 billion at 30 September 2015 from EUR 92.7 billion at 30 June 2015, mainly due to Corporate Banking and Group Functions. In Corporate Banking, the decline was mainly accountable to lower business volume, while the decline at Group Functions was largely caused by new EBA guidelines regarding deferred tax assets.

Credit risk mitigation

Collateral & guarantees received as security as at 30 September 2015 Reviewed

		30 September 2015						
		Collateral received						
(in millions)	Carrying amount	Master netting agree-ment[3]	Financial instru-ments	Property & equipment	Other collateral and guaran-tees	Total risk mitigation	Surplus collateral[4]	Net exposure[5]
Loans and receivables – banks	**17,794**	**8,217**	**334**		**2**	**8,553**		**9,241**
Loans and receivables – customers								
Residential mortgages[1]	151,670		81	209,411	4,655	214,148	74,231	11,754
Consumer loans	14,790		4,290	5,181	33	9,505	1,142	6,427
Corporate loans[1]	82,715	3,104	20,130	39,309	13,737	76,280	18,012	24,447
Other loans and receivables – customers[2]	12,567	1,057	4,540	2,981	1,626	10,204	2,631	4,994
Total Loans and receivables – customers	**261,742**	**4,161**	**29,042**	**256,882**	**20,051**	**310,136**	**96,017**	**47,622**
Total Loans and receivables	**279,536**	**12,378**	**29,376**	**256,882**	**20,053**	**318,690**	**96,017**	**56,863**
Other assets	133,752	18,313	37,451	36	154	55,955	5,352	83,149
Total assets	**413,287**	**30,691**	**66,828**	**256,918**	**20,207**	**374,645**	**101,369**	**140,011**

1 Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 The Master netting agreement amount presents legal netting rights and cash collateral.
4 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
5 Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security as at 30 June 2015 Reviewed

		30 June 2015						
		Collateral received						
(in millions)	Carrying amount	Master netting agree-ment[3]	Financial instru-ments	Property & equipment	Other collateral and guaran-tees	Total risk mitigation	Surplus collateral[4]	Net exposure[5]
Loans and receivables – banks	**15,641**	**7,098**	**329**			**7,427**		**8,214**
Loans and receivables – customers								
Residential mortgages[1]	151,770	17	92	208,281	4,855	213,244	73,622	12,149
Consumer loans	15,084	105	4,663	5,304	33	10,105	1,443	6,422
Corporate loans[1]	86,205	4,733	26,279	38,805	8,827	78,643	18,943	26,505
Other loans and receivables – customers[2]	13,717	1,247	4,124	3,007	1,922	10,299	2,183	5,601
Total Loans and receivables – customers	**266,776**	**6,102**	**35,157**	**255,396**	**15,636**	**312,292**	**96,192**	**50,677**
Total Loans and receivables	**282,417**	**13,200**	**35,487**	**255,396**	**15,636**	**319,719**	**96,192**	**58,891**
Other assets	128,244	17,559	37,961	24	161	55,705	4,755	77,294
Total assets	**410,661**	**30,758**	**73,448**	**255,420**	**15,797**	**375,424**	**100,947**	**136,185**

1 Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 The Master netting agreement amount presents legal netting rights and cash collateral.
4 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
5 Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security as at 31 December 2014 Reviewed

	31 December 2014							
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[3]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[4]	Net exposure[5]
Loans and receivables – banks	**21,680**	**9,850**				**9,850**		**11,830**
Loans and receivables – customers								
Residential mortgages[1]	151,998	25	98	205,730	5,072	210,925	71,635	12,708
Consumer loans	15,398	139	4,361	5,260	48	9,807	1,422	7,013
Corporate loans[1]	82,860	3,121	26,146	30,749	8,434	68,450	18,083	32,494
Other loans and receivables – customers[2]	11,654	1,585	4,008	2,866	2,488	10,946	2,287	2,994
Total Loans and receivables – customers[1]	**261,910**	**4,870**	**34,613**	**244,605**	**16,041**	**300,129**	**93,427**	**55,208**
Total Loans and receivables	**283,590**	**14,720**	**34,613**	**244,605**	**16,041**	**309,979**	**93,427**	**67,038**
Other assets	103,277	19,538	19,833		188	39,559	1,829	65,546
Total assets	**386,867**	**34,258**	**54,446**	**244,605**	**16,229**	**349,538**	**95,256**	**132,585**

1 Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 The Master netting agreement amount presents legal netting rights and cash collateral.
4 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
5 Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

Third quarter developments Reviewed

Total net exposure of Total Loans and receivables - customers in Q3 2015 decreased to EUR 47.6 billion at 30 September 2015 down by EUR 3.1 billion from EUR 50.7 billion at 30 June 2015.

Total risk mitigation for residential mortgages increased by EUR 0.9 billion, amounting to EUR 214.1 billion at 30 September 2015, compared with EUR 213.2 billion at 30 June 2015. This increase was mainly the result of recovering house prices.

The carrying amount for Corporate loans decreased to EUR 82.7 billion at 30 September 2015, a decline of EUR 3.5 billion compared with 30 June 2015, due mainly to lower lending volumes at Clearing and ECT Clients. As a result of the decrease in lending, total risk mitigation also decreased. In Q3 2015, there was a reclassification of collateral, causing a shift of EUR 4 billion from Financial instruments to Other collateral and guarantees.

The net exposure of Other loans and receivables - customers declined by EUR 0.6 billion, coming out to EUR 5.0 billion at 30 September 2015.

Developments over the first nine months Reviewed

Total net exposure of Total Loans and receivables - customers decreased to EUR 47.6 billion at 30 September 2015 down by EUR 7.6 billion, from EUR 55.2 billion at 31 December 2014, while the carrying amount remained stable.

Total risk mitigation for Residential mortgages increased to EUR 214.1 billion as at 30 September 2015 up by EUR 3.2 billion compared with year-end 2014. This increase was mainly the result of recovering house prices.

Compared with 31 December 2014, total risk mitigation within Corporate loans rose EUR 7.8 billion, arriving at EUR 76.3 billion at 30 September 2015. The increase primarily resulted from an increase of EUR 8.6 billion in Property & equipment, as collateral reporting improved. The rise in other collateral and guarantees and the decline in financial instruments was partly due to a reclassification of collateral of approximately EUR 4 billion.

The net exposure of Other loans and receivables - customers increased by EUR 2.0 billion, amounting to EUR 5.0 billion at 30 September 2015.

Management of forborne, past due and impaired loans

Forborne loans

The following table provides an overview of forborne assets, broken down into performing and non-performing assets, specified by type of forbearance measure.

Clients in (potential) financial difficulty, for whom contract amendments that are considered concessions on the part of the bank have been made since 1 January 2012, are accounted for as forborne assets. Contracts that are in a recovery phase at the reporting date are not considered forborne.

Overview forbearance as at 30 September 2015 Reviewed

										30 September 2015	
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables – banks	**17,796**										**0.0%**
Loans and receivables – customers											
Residential mortgages	152,044	1,125	14	195	1,334	401	25	39	464	1,798	1.2%
Consumer loans	15,409	152	68	156	377	120	65	52	238	614	4.0%
Corporate loans[1]	86,136	1,272	1,270	1,739	4,280	719	1,006	990	2,715	6,995	8.1%
Other loans and receivables – customers[2]	12,676	99	24		123	117	71	5	193	316	2.5%
Total Loans and receivables – customers	**266,266**	**2,649**	**1,376**	**2,090**	**6,114**	**1,357**	**1,166**	**1,087**	**3,610**	**9,724**	**3.7%**
Total[1]	**284,063**	**2,649**	**1,376**	**2,090**	**6,114**	**1,357**	**1,166**	**1,087**	**3,610**	**9,724**	**3.4%**

[1] Gross carrying amount includes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Overview forbearance as at 30 June 2015 Reviewed

										30 June 2015	
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables – banks	**15,641**										**0.0%**
Loans and receivables – customers											
Residential mortgages[1]	152,173	1,083	26	158	1,267	475	10	35	520	1,787	1.2%
Consumer loans	15,724	149	74	145	368	106	38	57	201	568	3.6%
Corporate loans[1]	89,702	1,312	1,233	1,756	4,301	565	1,057	1,021	2,643	6,943	7.7%
Other loans and receivables – customers[2]	13,847	116	18		135	203	14		217	351	2.5%
Total Loans and receivables – customers[1]	**271,446**	**2,660**	**1,351**	**2,059**	**6,070**	**1,349**	**1,119**	**1,112**	**3,580**	**9,650**	**3.6%**
Total[1]	**287,087**	**2,660**	**1,351**	**2,059**	**6,070**	**1,349**	**1,119**	**1,112**	**3,580**	**9,650**	**3.4%**

[1] Gross carrying amount includes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Overview forbearance as at 31 December 2014 Reviewed

		31 December 2014									
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables – banks	**21,680**										**0.0%**
Loans and receivables – customers											
Residential mortgages[1]	152,536	1,027	28	122	1,177	606	3	29	638	1,814	1.2%
Consumer loans	16,052	92	68	126	286	99	32	52	184	470	2.9%
Corporate loans[1]	86,299	1,215	872	1,823	3,910	729	878	1,181	2,788	6,698	7.8%
Other loans and receivables – customers[2]	11,783	23			24	64	4		68	92	0.8%
Total Loans and receivables – customers	**266,670**	**2,358**	**968**	**2,071**	**5,397**	**1,498**	**917**	**1,262**	**3,677**	**9,074**	**3.4%**
Total[1]	**288,351**	**2,358**	**968**	**2,071**	**5,397**	**1,498**	**917**	**1,262**	**3,677**	**9,074**	**3.1%**

1 Gross carrying amount includes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Third quarter developments Reviewed

The total forborne assets remained fairly stable, amounting to EUR 9.7 billion as at 30 September 2015, compared with 30 June 2015.

Total forborne Residential mortgages remained fairly stable compared with 30 June 2015. Total forborne Consumer loans increased marginally as at 30 September 2015 compared with 30 June 2015.

Total forborne Corporate loans increased slightly, amounting to EUR 7.0 billion at 30 September 2015, compared with EUR 6.9 billion at 30 June 2015. This limited increase was mainly the result of an increase in temporary modifications within the non-performing portfolio and related to the industrial goods & services sector and, to a lesser extent, the oil & gas sector.

Total forborne for Other loans and receivables - customers decreased slightly to EUR 0.3 billion at 30 September 2015, compared with EUR 0.4 billion at 30 June 2015.

Developments over the first nine months Reviewed

Total forborne assets increased to EUR 9.7 billion at 30 September 2015, compared with EUR 9.1 billion at year-end 2014.

Total forborne residential mortgages remained fairly stable compared with year-end 2014. Consumer loans increased slightly, amounting to EUR 0.6 billion at 30 September 2015, compared with EUR 0.5 billion at year-end 2014. This increase mainly resulted from an inflow of new forborne clients, the majority of which related to temporary modifications within the performing portfolio.

Total forborne Corporate loans increased to EUR 7.0 billion at 30 September 2015 from EUR 6.7 billion at year-end 2014, with a forbearance ratio of 8.1% as at 30 September 2015. This increase mainly resulted from an inflow of new forborne clients and particularly relates to permanent modifications within the performing portfolio. The rise in forborne exposure for Corporate loans was for the largest part driven by increases in the food & beverage sector and the oil & gas sector.

Past due loans

Financial assets past due but not impaired as at 30 September 2015 Reviewed

								30 September 2015
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables – banks	**17,796**	**17,795**						**0.0%**
Loans and receivables – customers								
Residential mortgages[1]	152,044	150,906	2,565	376	94		3,035	2.0%
Consumer loans	15,409	14,599	334	123	45	201	702	4.6%
Corporate loans[1]	86,136	81,186	578	135	56	452	1,221	1.4%
Other loans and receivables – customers[2]	12,676	12,455	32	5	2	20	58	0.5%
Total Loans and receivables – customers	**266,266**	**259,145**	**3,508**	**638**	**197**	**672**	**5,016**	**1.9%**
Total Loans and receivables	**284,063**	**276,940**	**3,508**	**638**	**197**	**672**	**5,016**	**1.8%**
Other assets	37,468	37,443	55	50	4	5	113	0.3%
Total assets	**321,530**	**314,383**	**3,563**	**688**	**201**	**677**	**5,129**	**1.6%**

[1] Gross carrying amount includes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Financial assets past due but not impaired as at 30 June 2015 Reviewed

								30 June 2015
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables – banks	**15,641**	**15,641**						**0.0%**
Loans and receivables – customers								
Residential mortgages[1]	152,173	150,951	2,505	336	88		2,929	1.9%
Consumer loans	15,724	14,874	345	105	63	200	712	4.5%
Corporate loans[1]	89,702	84,843	911	106	82	568	1,666	1.9%
Other loans and receivables – customers[2]	13,847	13,596	61	5	3	36	104	0.8%
Total Loans and receivables – customers	**271,446**	**264,265**	**3,821**	**551**	**236**	**803**	**5,412**	**2.0%**
Total Loans and receivables	**287,087**	**279,906**	**3,821**	**551**	**236**	**803**	**5,412**	**1.9%**
Other assets	37,755	37,727	72	89	2	5	168	0.4%
Total assets	**324,842**	**317,633**	**3,893**	**640**	**238**	**808**	**5,580**	**1.7%**

[1] Gross carrying amount includes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Financial assets past due but not impaired as at 31 December 2014 Reviewed

	31 December 2014							
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables – banks	**21,680**	**21,680**						**0.0%**
Loans and receivables – customers								
Residential mortgages[1]	152,536	151,058	3,057	463	118		3,639	2.4%
Consumer loans	16,052	15,184	335	135	38	125	633	3.9%
Corporate loans[1]	86,299	81,310	924	182	51	590	1,747	2.0%
Other loans and receivables – customers[2]	11,783	11,518	72	8	3	12	94	0.8%
Total Loans and receivables – customers	**266,670**	**259,070**	**4,388**	**788**	**210**	**727**	**6,114**	**2.3%**
Total Loans and receivables	**288,351**	**280,750**	**4,388**	**788**	**210**	**727**	**6,114**	**2.1%**
Other assets	20,453	20,431	202	19	8	24	253	1.2%
Total assets	**308,804**	**301,181**	**4,590**	**807**	**218**	**750**	**6,366**	**2.1%**

1 Gross carrying amount includes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Third quarter developments Reviewed

Total Loans and receivables past due as at 30 September 2015 amounted to EUR 5.0 billion, decreasing by EUR 0.4 billion from EUR 5.4 billion at 30 June 2015, mainly as a result of lower past due exposure in the Corporate loans portfolio.

Residential mortgages past due increased slightly to EUR 3.0 billion at 30 September 2015 from EUR 2.9 billion at 30 June 2015. However, the past due remains at a low level.

Corporate loans past due declined to EUR 1.2 billion at 30 September 2015 from EUR 1.7 billion at 30 June 2015. This decline resulted from a combination of effective credit monitoring and the upturn of the economy.

Developments over the first nine months Reviewed

Compared with year-end 2014, total past due but not impaired for total loans and receivables showed a decrease of EUR 1.1 billion and amounted to EUR 5.0 billion at 30 September 2015.

The total Residential mortgages past due dropped EUR 0.6 billion, from EUR 3.6 billion at year-end 2014 to EUR 3.0 billion at 30 September 2015, as a result of successful active management of the portfolio in arrears, coaching of clients that run a higher risk of running into arrears and improved economic conditions.

The Corporate loans past due improved to 1.4% as at 30 September 2015, compared with 2.0% as at 31 December 2014, due to a combination of succesful credit monitoring of our clients and the upturn of the economy.

Impaired loans

Coverage and impaired ratio as at 30 September 2015 Reviewed

	30 September 2015				
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables – banks	**17,796**	**2**	**-2**	**100.0%**	**0.0%**
Loans and receivables – customers					
Residential mortgages[1]	152,044	1,139	-295	25.9%	0.7%
Consumer loans	15,409	811	-520	64.2%	5.3%
Corporate loans[1]	86,136	4,950	-3,123	63.1%	5.7%
Other loans and receivables – customers[2]	12,676	222	-96	43.4%	1.7%
Total Loans and receivables – customers	**266,266**	**7,121**	**-4,034**	**56.6%**	**2.7%**
Total Loans and receivables[3]	**284,063**	**7,123**	**-4,036**	**56.7%**	**2.5%**
Securities financing	35,485	10	-10	100.0%	0.0%
Total on- and off-balance sheet	**436,829**	**7,171**	**-4,052**	**56.5%**	**1.6%**

1 Gross carrying amount includes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 Amounts excluding Incurred But Not Identified (IBNI).

Coverage and impaired ratio as at 30 June 2015 Reviewed

	30 June 2015				
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables – banks	**15,641**				**0.0%**
Loans and receivables – customers					
Residential mortgages[1]	152,173	1,222	-325	26.6%	0.8%
Consumer loans	15,724	850	-537	63.1%	5.4%
Corporate loans[1]	89,702	4,859	-3,143	64.7%	5.4%
Other loans and receivables – customers[2]	13,847	250	-115	45.8%	1.8%
Total Loans and receivables – customers	**271,446**	**7,181**	**-4,119**	**57.4%**	**2.6%**
Total Loans and receivables[3]	**287,087**	**7,181**	**-4,119**	**57.4%**	**2.5%**
Securities financing	35,536	10	-10	100.0%	0.0%
Total on- and off-balance sheet	**439,023**	**7,216**	**-4,136**	**57.3%**	**1.6%**

1 Gross carrying amount includes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 Amounts excluding Incurred But Not Identified (IBNI).

Coverage and impaired ratio as at 31 December 2014 Reviewed

	31 December 2014				
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables – banks	**21,680**			**0.0%**	**0.0%**
Loans and receivables – customers					
Residential mortgages[1]	152,536	1,478	-408	27.6%	1.0%
Consumer loans	16,052	868	-533	61.4%	5.4%
Corporate loans[1]	86,299	4,989	-3,017	60.5%	5.8%
Other loans and receivables – customers[2]	11,783	265	-115	43.2%	2.3%
Total Loans and receivables – customers	**266,670**	**7,601**	**-4,073**	**53.6%**	**2.9%**
Total Loans and receivables[3]	**288,351**	**7,601**	**-4,073**	**53.6%**	**2.6%**
Securities financing	18,521	10	-10	100.0%	0.1%
Total on- and off-balance sheet	**418,815**	**7,632**	**-4,089**	**53.6%**	**1.8%**

1 Gross carrying amount includes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
3 Amounts excluding Incurred But Not Identified (IBNI).

Third quarter developments Reviewed

Impaired exposures to total Loans and receivables continued to decline, reaching EUR 7.1 billion at 30 September 2015 compared with EUR 7.2 billion at 30 June 2015. Allowances for impairments were also slightly lower in this period. As a result, the coverage ratio for the total Loans and receivables - customers portfolio was 56.6% at 30 September 2015, compared with 57.4% at 30 June 2015. The impaired ratio increased slightly in this period, arriving at 2.7% at 30 September 2015, compared with 2.6% at 30 June 2015, mainly as a result of the decline in the total Loans and receivables - customers portfolio.

At portfolio level, Residential mortgages showed the largest decrease in the impaired exposures. This was caused by a continued decline in the inflow into, and a rise in the outflow from, the impaired portfolio. The high outflow is the result of increased outflow of clients to the performing portfolio as well as a higher demand for houses, which enables faster settlement of files in long-term arrears. As a result, the impaired ratio further declined to 0.7%. The coverage ratio decreased slightly to 25.9%.

The Consumer loans portfolio also showed lower impaired exposures and allowances for impairments, which resulted in a slightly improved impaired ratio of 5.3% at 30 September 2015, compared with 5.4% at 30 June 2015. The coverage ratio increased to 64.2%.

The decrease in impaired exposure in the Residential mortgage and Consumer loans portfolios was partly offset by an increase in the Corporate loans portfolio. The impaired exposure increased as a result of a few files, resulting in a higher impaired ratio; 5.7% as at 30 September compared with 5.4% as at 30 June 2015.

Developments over the first nine months Reviewed

Since year-end 2014, the size of the impaired portfolio gradually decreased from EUR 7.6 billion to EUR 7.1 billion as at 30 September 2015. At the same time, the Allowances for impairments remained fairly stable. As a result, the coverage ratio for the total loans and receivables - customers portfolio was 56.6% at 30 September 2015, up from 53.6% at year-end 2014.

The decline in impaired exposure is largely attributable to the Residential Mortgage portfolio. Residential Mortgages has seen a gradually reducing impaired portfolio, since inflow maintained its downward trend, while outflow from the impaired portfolio is still high. Allowances for impairments decreased following the upturn of the Dutch housing market. These movements result in a slightly lower coverage ratio of 25.9% at 30 September 2015, compared with 27.6% at 31 December 2014, and an improved impaired ratio of 0.7% at 30 September 2015 compared with year-end 2014.

The impaired ratio for the Consumer loan portfolio improved slightly, coming down to 5.3% at 30 September from 5.4% at year-end 2014. Coverage ratio increased to 64.2% at 30 September 2015. No material changes were noted in this portfolio.

The impaired Corporate loans portfolio remained fairly stable, while the allowance for impairments increased as lower recovery levels were observed for files that were already impaired. As a result, the coverage ratio increased to 63.1% at 30 September 2015, compared with 60.5% at year-end 2014. The impaired ratio improved slightly to 5.7%.

Loan impairment charges and allowances Reviewed

						Q3 2015
(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Total
Balance as at begin of period	**10**		**3,627**	**402**	**640**	**4,680**
Impairment charges for the period		1	214	46	46	307
Reversal of impairment allowances no longer required			-165	-18	-14	-196
Recoveries of amounts previously written-off				-7	-10	-17
Total impairment charges on loans and other receivables		**1**	**50**	**22**	**21**	**95**
Amount recorded in interest income from unwinding of discounting			-12	-12	-2	-27
Currency translation differences			-7			-7
Amounts written-off (net)			-145	-38	-41	-223
Reserve for unearned interest accrued on impaired loans			21		1	22
Other adjustments		2	-2			-2
Balance as at end of period	**10**	**3**	**3,531**	**374**	**620**	**4,537**
Reconciliation from reported to underlying impairment charges						
Total reported on-balance sheet impairment charges on loans and other receivables		**1**	**50**	**22**	**21**	**95**
Total underlying on-balance sheet impairment charges on loans and other receivables		**1**	**50**	**22**	**21**	**95**

(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Total
						Q3 2014
Balance as at begin of period	**22**		**3,887**	**649**	**649**	**5,207**
Impairment charges for the period			369	74	59	501
Reversal of impairment allowances no longer required	-14		-133	-42	-15	-204
Recoveries of amounts previously written-off			-3	-2	-8	-13
Total impairment charges on loans and other receivables	**-14**		**233**	**29**	**36**	**285**
Amount recorded in interest income from unwinding of discounting			-12	-42	-3	-57
Currency translation differences	1		58			59
Amounts written-off (net)			-321	-48	-51	-420
Reserve for unearned interest accrued on impaired loans			11	8	-5	14
Other adjustments			-33	1	18	-14
Balance as at end of period	**10**		**3,822**	**599**	**644**	**5,074**
Reconciliation from reported to underlying impairment charges						
Total reported on-balance impairment charges on loans and other receivables	**-14**		**233**	**29**	**36**	**285**
Total underlying on-balance impairment charges on loans and other receivables	**-14**		**233**	**29**	**36**	**285**

(in millions)	Q3 2015	Q3 2014
On-balance sheet	95	285
Off-balance sheet		3
Total impairment charges on loans and other receivables	**94**	**287**

Third quarter developments Reviewed

In the third quarter of 2015, total on-balance sheet impairment charges declined by EUR 190 million, arriving at EUR 95 million when compared to the same period of the previous year. The decrease in impairment charges was driven by stringent credit monitoring, balanced porfolio intake and improved economic circumstances, which also led to an IBNI release of EUR 61 million.

The improved housing market resulted in lower impairment charges for Residential Mortgages, which came down to EUR 22 million in the third quarter of 2015 from EUR 29 million in the same period last year.

The Impairment charges mainly declined in the Corporate loan portfolio and included an IBNI release of EUR 55 million, which was taken to reflect lower backward looking losses in the Corporate Banking portfolio. Within Corporate banking, the Commercial Clients portfolio slowly improved as the exposures on special monitoring ('watch') are gradually declining. At the same time, the inflow into Financial Restructuring & Recovery (FR&R) for Commercial Clients is gradually reducing as well. Impairment charges for International Clients have remained fairly stable, despite one single large specific impairment charge noted in ECT Clients.

Impairment charges for the Consumer loan portfolio dropped to EUR 21 million in the third quarter of 2015, down from EUR 36 million in the same period last year. This decline included an IBNI release of EUR 4 million.

Loan impairment charges and allowances over the first nine months Reviewed

(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Total
						Nine months 2015
Balance as at 1 January	**11**		**3,568**	**538**	**654**	**4,771**
Impairment charges for the period		1	783	114	135	1,033
Reversal of impairment allowances no longer required	-1		-456	-87	-55	-599
Recoveries of amounts previously written-off			-6	-18	-30	-55
Total impairment charges on loans and other receivables	**-1**	**1**	**321**	**8**	**50**	**379**
Amount recorded in interest income from unwinding of discounting			-35	-40	-8	-83
Currency translation differences	1		48			49
Amounts written-off (net)			-405	-128	-102	-636
Reserve for unearned interest accrued on impaired loans			48		10	58
Other adjustments		2	-14	-5	16	-2
Balance as at 30 September	**10**	**3**	**3,531**	**374**	**620**	**4,537**
Reconciliation from reported to underlying impairment charges						
Total reported on-balance sheet impairment charges on loans and other receivables	**-1**	**1**	**321**	**8**	**50**	**379**
Total underlying on-balance sheet impairment charges on loans and other receivables	**-1**	**1**	**321**	**8**	**50**	**379**

(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Total
						Nine months 2014
Balance as at 1 January	**24**		**3,778**	**585**	**612**	**4,999**
Impairment charges for the period	1		970	348	229	1,548
Reversal of impairment allowances no longer required	-16		-289	-166	-50	-521
Recoveries of amounts previously written-off			-6	-6	-29	-40
Total impairment charges on loans and other receivables	**-16**		**675**	**177**	**150**	**986**
Amount recorded in interest income from unwinding of discounting			-35	-51	-8	-94
Currency translation differences	1		61			63
Amounts written-off (net)			-649	-140	-125	-914
Reserve for unearned interest accrued on impaired loans			29	27	-4	51
Other adjustments			-37	1	19	-18
Balance as at 30 September	**10**		**3,822**	**599**	**644**	**5,074**
Reconciliation from reported to underlying impairment charges						
Total reported on-balance sheet impairment charges on loans and other receivables	**-16**		**675**	**177**	**150**	**986**
Total underlying on-balance sheet impairment charges on loans and other receivables	**-16**		**675**	**177**	**150**	**986**

(in millions)	Nine months 2015	Nine months 2014
On-balance sheet	379	986
Off-balance sheet	2	4
Total impairment charges on loans and other receivables	**381**	**990**

Developments over the first nine months Reviewed

The underlying on-balance sheet impairment charges in the first nine months of 2015 declined by EUR 607 million, amounting to EUR 379 million compared with EUR 986 million in the same period last year. The decline clearly reflects the result of our stringent credit monitoring and well-balanced portfolio intake alongside the improved Dutch economy, which also resulted in lower IBNI levels.

The first nine months included an IBNI release of EUR 199 million. It also resulted in an overall decline of the impaired portfolio, with more outflow to the performing portfolio than inflow into the non-performing portfolio.

In absolute terms, the large drop in the impairment charges was mainly attributable to the Corporate loans portfolio, and to a lesser extent, the Residential mortgage and Consumer loans portfolio.

Impairment charges of the Corporate loans portfolio dropped by EUR 354 million, arriving at EUR 321 million in the first nine months of 2015, compared with EUR 675 million in the same period last year. This decline was mainly the result of a drop in the Commercial Clients portfolio, resulting from our strict credit monitoring, our balanced portfolio intake and the upturn of the economy. Impairment charges for the Corporate loans portfolio included an IBNI release of EUR 122 million.

Impairment charges for the Residential Mortgages portfolio dropped EUR 169 million, coming down to EUR 8 million for the first nine months of 2015 from EUR 177 million for the same period in 2014. This material decrease was due to the upswing in the housing market, which resulted in a lower impaired volume. The impairment charges for the Residential mortgage portfolio included an IBNI release of EUR 52 million.

For Consumer loans, the impairment charges declined to EUR 50 million in the first nine months of 2015, compared with EUR 150 million in the first nine months of 2014. The decline was also the result of the improvements in the Dutch economy and an IBNI release of EUR 22 million.

Impaired loans by industry

	30 September 2015		30 June 2015		31 December 2014	
(in millions)	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures	Allowances for impairments for identified credit risk
Industry sector						
Banks	12	-12	12	-12	10	-10
Financial services[1]	853	-702	782	-702	813	-693
Industrial goods and services	1,077	-607	1,128	-618	1,328	-703
Real estate	665	-343	683	-348	793	-390
Oil and gas	222	-103	169	-96	119	-76
Food and beverage	538	-248	494	-252	544	-245
Retail	497	-310	548	-347	630	-355
Basic resources	286	-214	237	-181	212	-152
Healthcare	192	-159	181	-144	65	-39
Construction and materials	385	-266	399	-265	371	-254
Travel and leisure	184	-98	205	-99	202	-119
Other[2]	363	-195	334	-209	220	-136
Subtotal Industry Classification Benchmark	**5,273**	**-3,258**	**5,173**	**-3,275**	**5,308**	**-3,170**
Private individuals (non-Industry Classification Benchmark)	1,897	-795	2,043	-861	2,324	-918
Subtotal non-Industry Classification Benchmark	**1,897**	**-795**	**2,043**	**-861**	**2,324**	**-918**
Total[3]	**7,171**	**-4,052**	**7,216**	**-4,136**	**7,632**	**-4,089**

1 Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.
2 Other includes, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.
3 Amounts excluding Incurred But Not Identified (IBNI).

Third quarter developments

At industry level, movements were noted for Financial services, which had a few new impaired files. Industrial Goods and Services reported a decrease in impaired exposure, caused by a combination of write-offs and a few releases following effective restructuring.

Within Oil and gas, increase in impaired exposure was mainly related to a single file in the ECT Clients portfolio that became impaired during the third quarter of 2015. However, on account of the secured structure of the transaction, the allowance for impairment is relatively low. Furthermore, one larger impaired file was sold during the quarter, resulting in a write-off in the allowance for impairments.

Impaired exposure for Food and beverage increased mainly due to one large file and several other smaller movements. The increase was offset by a material release in provisions for a single client.

Developments over the first nine months

The impaired exposure declined by EUR 461 million to EUR 7.2 billion as at 30 September 2015 compared with EUR 7.6 billion at year-end 2014. The Allowance for impairments remained fairly stable at EUR 4.1 billion in this period.

Impaired exposure of Industrial goods and services reported a decrease of EUR 251 million, which was the combination of write-offs and a few releases following a successful restructuring. Impaired exposure for real estate decreased as a result of several files due to write-offs.

Increase in Oil and Gas impaired exposures was related to one single file in the ECT Clients portfolio that became impaired during the third quarter of 2015, as a result of the structure of the transaction, the allowance for impairment is relatively low. Furthermore, one larger impaired file was sold during the third quarter, resulting in a write off of the allowance for impairments.

As a result of several files which were recovered in the Retail industry, the impaired exposures in this industry decreased. The impaired exposure in the healthcare sector increased due to a single large file.

Furthermore, a number of smaller amounts were re-classified to other industry sectors in the course of 2015.

Developments in specific portfolios

Residential mortgages

The Dutch housing market continued to improve in the third quarter of 2015. The improvement applied to all Dutch regions and all price categories, indicating a lasting trend. The number of transactions in the Dutch housing market went up by 29% compared with the third quarter of 2014 and increased by 23% in the first nine months of 2015 compared with the same period last year, according to Statistics Netherlands (CBS). The CBS housing price index was 1.3% higher in the third quarter of 2015 than it was in the second quarter of 2015.

For ABN AMRO, the production volume of new mortgages was 24% higher in the third quarter of 2015 when compared with the second quarter of 2015 and 48% higher when comparing the first nine months with the same period last year. The higher level of production was driven by the continued economic recovery and low interest rates for residential mortgage loans. Stricter income calculations had no significant effect on the housing market. The NHG lowered the limit to EUR 245,000 as of 1 July 2015, leading to a decrease of the NHG proportion of the new mortgage production to 39% in the third quarter of 2015, compared with 46% in the first as well as the second quarter of 2015.

Total redemptions in the third quarter of 2015 amounted to EUR 3.2 billion, compared with EUR 2.6 billion in the second quarter of 2015 and EUR 8.4 billion in the first nine months of 2015, compared with EUR 6.6 billion in the same period last year.

Contractual repayments are gradually growing, following new tax regulations. Additional repayments, which had been exceptionally high in the last quarter of 2014 due to the ending of the temporary elevated gift tax exemption, have returned to the same levels as previous years levels. In the third quarter of 2015, additional repayments amounted to EUR 0.4 billion, which was equal to the third quarter of 2014. Incentives for the current additional redemptions are low interest rates on savings and an increased awareness among homeowners of the possibility of residual debt at the end of their loan term.

Key residential mortgage indicators

(in millions)	30 September 2015	30 June 2015	31 December 2014
Gross carrying amount excl. fair value adjustment from hedge accounting	148,535	148,642	148,402
Of which Nationale Hypotheek Garantie (NHG)	39,003	38,502	37,540
Gross carrying amount	152,044	152,173	152,536
Exposure at Default[1]	164,663	165,177	160,291
Risk-weighted assets/ risk exposure amount[1]	22,044	21,865	22,062
RWA (REA)/EAD	13.4%	13.2%	13.8%
Forbearance ratio	1.2%	1.2%	1.2%
Past due ratio	2.0%	1.9%	2.4%
Cost of risk (year to date, in bps)	1	-2	13
Coverage ratio	25.9%	26.6%	27.6%
Impaired ratio	0.7%	0.8%	1.0%
Average Loan-to-Market-Value	81%	82%	83%
Average Loan-to-Market-Value - excluding NHG	77%	78%	79%
Total risk mitigation	214,148	213,244	210,925
Total risk mitigation/carrying amount	140.8%	140.1%	138.3%

[1] The RWA (REA) and Exposure at Default amounts are based on the exposure class Secured by immovable property. This scope is slightly broader than the residential mortgage portfolio.

The gross carrying amount of the residential mortgage portfolio excluding the fair value adjustment was relatively stable, amounting to EUR 148.5 billion at 30 September 2015 (30 June 2015: EUR 148.6 billion, 31 December 2014: EUR 148.4 billion). New mortgage production is still at a high level, although it is partly offset by redemptions. NHG-guaranteed loans account for 26% of the residential mortgage portfolio.

The RWA (REA) for the Residential mortgage portfolio remained relatively stable at EUR 22.0 billion at 30 September 2015. EAD slightly decreased to EUR 164.7 billion at 30 September 2015.

The forbearance ratio remained stable at 1.2%.

At 30 September the past due ratio is marginally higher at 2.0% compared with 1.9% at 30 June 2015. The mortgage portfolio in arrears was slightly higher at EUR 3.0 billion, compared with EUR 2.9 billion at 30 June 2015 and significantly lower compared with EUR 3.6 billion at 31 December 2014. The past due ratio remains at a low level.

Coverage ratio for the residential mortgages portfolio decreased slightly, declining to 25.9% at 30 September 2015 from 26.6% at 30 June 2015. Both the impaired portfolio and allowances for credit risk decreased. The allowances decreased mainly due to the upswing in the housing market and improved economic circumstances, which have led to an improved recovery rate.

The impaired ratio continued to decline, coming down to 0.7% at 30 September 2015 from 0.8% at 30 June 2015 and 1.0% at 31 December 2014. This was caused by a lower inflow into the impaired portfolio and a continued high level of outflow from the impaired portfolio. The high outflow is the result of increased outflow of clients to the performing portfolio as well as a higher demand for houses, which enables faster settlement of files in long-term arrears.

Annualised cost of risk (year to date) remained low at 1 bps. This was the result of the upswing in the Dutch housing market, a succesfull active management of the portfolio and the improved Dutch economy, which resulted in a lower impaired volume.

The increase in house prices and restrictions on the maximum Loan to Market Value (LtMV) for new residential mortgages resulted in a further improvement of the average LtMV of the mortgage portfolio to 81% at 30 September 2015, compared with 82% at 30 June 2015 and 83% at 31 December 2014. The same trend can be noted for the LtMVs excluding NHG.

Additional repayments on residential mortgage loans have a small impact on the highest LtMV categories. Approximately 17% of the extra repayments is related to mortgages with an LtMV > 100%.

Residential mortgages to indexed market value

(in millions)	30 September 2015 Gross carrying amount	Percentage of total	- of which guaranteed	- of which unguaranteed	30 June 2015 Gross carrying amount	Percentage of total	- of which guaranteed	- of which unguaranteed	31 December 2014 Gross carrying amount	Percentage of total	- of which guaranteed	- of which unguaranteed
LtMV category[1]												
<50%	24,332	16.4%	1.7%	14.6%	24,089	16.2%	1.7%	14.5%	23,707	16.0%	1.7%	14.3%
50% - 80%	38,328	25.8%	4.6%	21.2%	37,450	25.2%	4.4%	20.8%	36,927	24.9%	4.2%	20.7%
80% - 90%	17,645	11.9%	3.3%	8.6%	16,962	11.4%	3.0%	8.4%	16,488	11.1%	2.8%	8.3%
90% - 100%	23,485	15.8%	6.1%	9.7%	22,209	14.9%	5.4%	9.5%	20,396	13.7%	4.5%	9.2%
100% - 110%	20,635	13.9%	5.6%	8.3%	21,308	14.3%	5.9%	8.4%	21,455	14.5%	5.8%	8.7%
110% - 120%	14,229	9.6%	3.2%	6.4%	15,118	10.2%	3.5%	6.7%	16,280	11.0%	3.8%	7.2%
>120%	7,525	5.1%	1.7%	3.4%	8,833	5.9%	2.0%	4.0%	10,885	7.3%	2.5%	4.8%
Unclassified	2,356	1.6%			2,673	1.8%			2,264	1.5%		
Total	**148,535**	**100%**			**148,642**	**100%**			**148,402**	**100%**		

[1] ABN AMRO calculates the Loan-to-Market Value using the indexation of the CBS (Statistics Netherlands).

The gross carrying amount of mortgages with an LtMV above 100% decreased to EUR 42.4 billion at 30 September 2015, down by EUR 2.9 billion compared with 30 June 2015 and EUR 6.2 billion compared with 31 December 2014.

The number of mortgages in the higher LtMV bucket range is decreasing mainly due to indexation of the value of the underlying collateral and the absence of new inflow into these buckets as a result of current regulations for tax deductions.

Note that LtMVs of more than 100% do not necessarily indicate that these clients are in financial difficulties.

Breakdown of residential mortgage portfolio by loan type

(in millions)	30 September 2015 Gross carrying amount	Percentage of total	30 June 2015 Gross carrying amount	Percentage of total	31 December 2014 Gross carrying amount	Percentage of total
Interest only (partially)	48,488	33%	48,578	33%	48,936	33%
Interest only (100%)	32,800	22%	33,231	22%	34,081	23%
Redeeming mortgages (annuity/linear)	17,203	12%	15,209	10%	11,956	8%
Savings	21,975	15%	22,448	15%	23,243	16%
Life (investment)	18,619	13%	19,218	13%	20,279	14%
Other[1]	9,449	6%	9,958	7%	9,908	7%
Total	**148,535**	**100%**	**148,642**	**100%**	**148,402**	**100%**

[1] Other includes hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

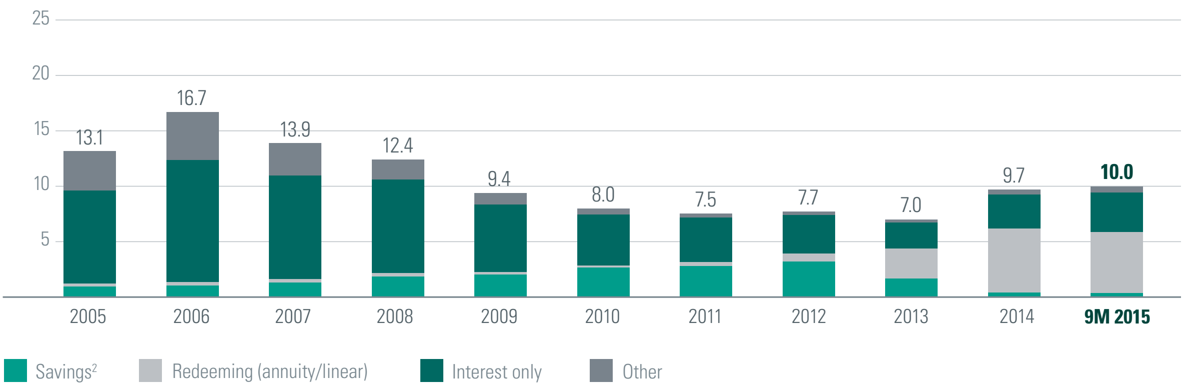
In the past, residential mortgages in the Netherlands were composed of different types of mortgages, e.g. a combination of interest-only and savings mortgages.

Under current tax regulations, new residential mortgages need to be 100% redeemable in order to be eligible for tax deduction. As a result, new mortgages are usually redeeming mortgages.

A gradual shift of the mortgage portfolio to redemption types continued. Redeeming mortgages increased to 12% of the residential mortgage portfolio, up from 10% at 30 June 2015 and 8% at 31 December 2014. 'Redeeming mortgages' is the only category that increased in volume.

The risk profile of the residential mortgage portfolio proved to be low in recent years and the improvement that started in 2014 has proven to be sustainable in 2015. This is evidenced by low impairments across the average loan book. The long-term LtMV of the bank's portfolio is expected to decrease further, as a result of the regulatory reduction of the maximum LtMV on mortgage loans, recovering house prices and redemptions. Furthermore, thanks to the improved housing market, average residual debt on foreclosures continued to decline in Q3 2015.

Breakdown of residential mortgage origination by loan type[1]
(in billions)



[1] Production includes the new mortgage production and all mortgages with a modification date.
[2] Other includes universal life, life investment, hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

As of 2012, the Dutch tax regime only allows a tax deduction for interest on redeeming mortgage loans. In the first nine months of 2015, mortgage loan type origination (defined as new production and mortgages with a loan type modification) consisted of 36% interest-only mortgages (2012: 45%), 55% redeeming mortgages (2012: 10%) and 4% savings mortgages (2012: 42%). Interest-only and savings mortgages can still occur due to new clients refinancing their loans.

Energy, Commodities & Transportation Clients

ECT on- and off-balance sheet exposure

	30 September 2015				30 June 2015				31 December 2014
(in billions)	Energy	Commod-ities	Transpor-tation	Total ECT clients	Energy	Commodi-ties	Transpor-tation	Total ECT clients	Total ECT clients
On-balance sheet exposure	**4.5**	**11.6**	**8.5**	**24.6**	4.4	12.8	8.0	25.2	22.2
Guarantees and letters of credit	0.6	5.6	0.2	6.4	0.7	5.8	0.2	6.6	7.7
Subtotal	**5.1**	**17.2**	**8.7**	**31.0**	5.1	18.5	8.2	31.9	29.9
Undrawn committed credit facilities	2.4	2.2	1.4	6.0	2.7	2.9	1.7	7.3	5.2
Total on- and off-balance sheet exposure	**7.5**	**19.4**	**10.1**	**37.0**	**7.8**	**21.4**	**9.9**	**39.2**	**35.0**

ABN AMRO has long-standing experience with financing the energy, commodities and transportation sectors and provides financial solutions and support to clients across the entire value chain of the Energy, Commodities and Transportation (ECT) industry. Our ECT Clients business benefits from in-depth sector knowledge and an active approach to risk and portfolio management.

ECT Clients' controlled growth strategy is based on this sector knowledge and focuses on monitoring and managing the credit risk profile of the portfolio in line with the respective market sentiment, trends and economic cycles. Dedicated credit policies are in place for the three ECT Clients sectors, including criteria for transaction structures, type of clients, advance rates, sustainability requirements and exclusion of certain types of transactions, obligors and markets. Core components of ECT Clients' risk management include regular contact and client intimacy at various levels in the client organisation, adherence to a strict client acceptance procedure, monthly credit monitoring meetings for clients with an increased risk ('watch') as well as frequent updates and deep dives into the portfolio and market developments. The majority of the loan book is US-dollar denominated and secured by either commodities for which liquid markets exist, first priority ship mortgages, or pledged contracted project cash flows. Conservative advance rates are applied, taking into account through-the-cycle asset values.

The ECT Clients' total loan portfolio amounted to an equivalent of EUR 24.6 billion on-balance sheet exposure at 30 September 2015, compared with EUR 25.2 billion at 30 June 2015 and EUR 22.2 billion at year-end 2014. The on-balance sheet exposure of the ECT Clients portfolio decreased by 2.4% in the third quarter of 2015. This decrease was mainly attributable to a decrease in Commodities Clients, caused by low commodity prices as well as a slightly weaker US dollar. The decrease was partially offset by growth in the Energy and Transportation sectors.

Over the first nine months of 2015, the on-balance sheet exposure of the ECT Clients portfolio increased by 10.7%, primarily due to the appreciation of the US dollar against the euro, by 8.3% since the start of this year. Growth was realised in the Energy Clients and Transportation Clients sectors, and offset by a lower utilisation of facilities in the Commodities Clients sector due to the low commodity prices.

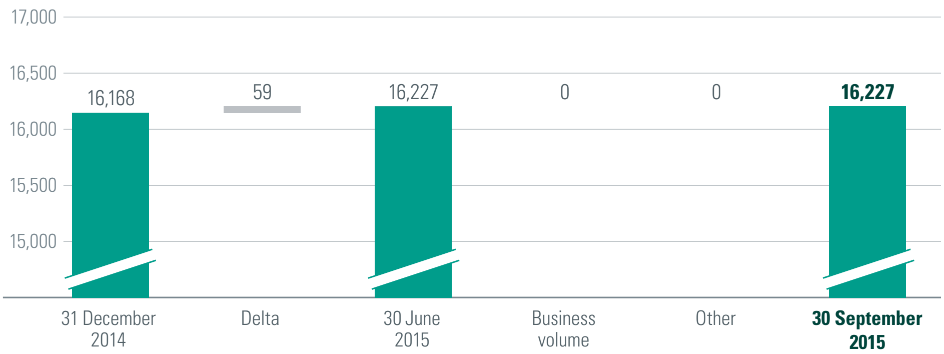
The composition of the ECT Clients loan portfolio in terms of on-balance sheet exposure changed in the third quarter, reflecting further growth in Energy and Transportation and the decrease in the Commodities sector. Commodities Clients remains the largest sector and accounted for 47% of the ECT Clients loan portfolio (down from 51% at the end of Q2 2015 and 52% at year-end 2014). Loans to clients in the Transportation Clients sector now account for 35% (up from 32% at the end of Q2 and 31% at year-end 2014). Energy Clients share in the on-balance exposure is now 18% (up from 17% at the end of Q2 and 17% at year-end 2014).

The off-balance sheet exposure, consisting mainly of short-term letters of credit secured by commodities, guarantees and availability under committed credit lines, decreased to EUR 12.4 billion at 30 September 2015, compared with EUR 14.0 billion at 30 June 2015 and EUR 12.8 billion at year-end 2014.

In the third quarter of 2015, the impairment charges amounted to EUR 62 million, compared with EUR 5 million in the same period last year. This increase was mainly attributable to a specific large impairment charge on a single client as well as an increase in the IBNI allowance. The impairment charges amounted to EUR 97 million for the first nine months of 2015, compared with EUR 17 million in the same period last year. Mainly due to the specific large file, the level of impairment charges in 2015 is high compared with the long-term average of ECT Clients, but should also be seen in relation to the portfolio size.

Operational risk

RWA (REA) flow statement operational risk
(in millions)



RWA (REA) for operational risk is calculated based on the Standardised Approach (TSA). To calculate the required capital, once a year the gross income is multiplied by a percentage (predefined by the directives).

Third-quarter developments

As the calculation is revised yearly, no changes are noted in the third quarter of 2015 compared with the second quarter of 2015.

In the third quarter of 2015, the downward trend of operational losses reversed as a result of historical claims against the bank.

After the reporting date, early Q4 2015, ABN AMRO submitted the application for the Advanced Measurement Approach (AMA) status to the supervisor for approval.

Developments in the first nine months

RWA (REA) remained stable in the first nine months of this year.

Market risk

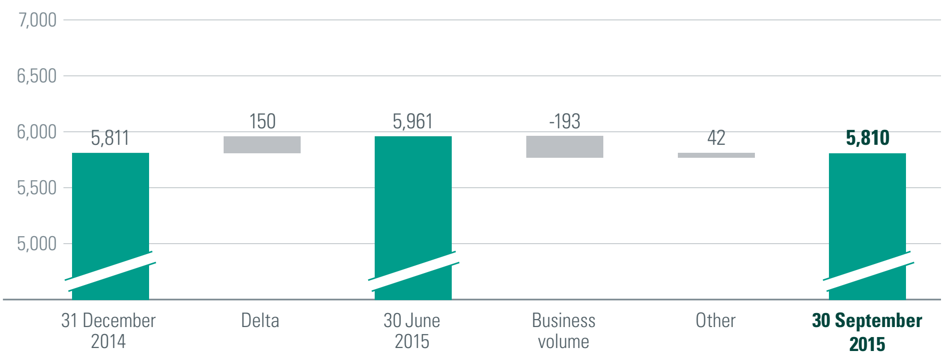
ABN AMRO is exposed to market risk in its trading book and banking book.

Market risk in the trading book

ABN AMRO has limited exposures in the trading book.

RWA (REA) flow statement market risk

(in millions)



RWA (REA) remained fairly stable at EUR 5.8 billion at 30 September 2015 compared with 30 June 2015 and 31 December 2014.

The Internal Model Approach (IMA) application was submitted to the regulator in October 2014. The regulator is currently reviewing this application.

Internal aggregated diversified and undiverisified VaR for all trading positions

	Q3 2015		Q3 2014		Q2 2015	
(in millions)	Diversified	Undiversi-fied	Diversified	Undiversi-fied	Diversified	Undiversi-fied
VaR at last trading day of period	6.3	8.4	1.1	2.2	5.8	6.7
Highest VaR	8.5	14.4	1.6	2.8	12.7	14.8
Lowest VaR	3.5	4.6	0.8	1.7	4.7	6.6
Average VaR	5.6	7.3	1.0	2.0	7.2	9.2

In the third quarter of 2015, the diversified VaR increased by EUR 5.2 million compared with the same period in 2014, when the average diversified VaR increased by EUR 4.6 million. The increase was due, among other things, to a particularly low interest rate environment, an intensification of market volatility and an increase of client-driven interest rate risk positions in the trading book.

The average VaR for the third quarter of 2015 is EUR 1.6 million lower than the average of the previous quarter. This is mainly due to the unwinding of positions and reduced market volatility.

Market risk in the banking book

ABN AMRO manages interest rate risk in the banking book in accordance with its moderate risk profile.

Interest rate risk metrics

	30 September 2015	30 June 2015	31 December 2014
NII-at-risk (in %)	2.2	3.1	2.2
Duration of equity (in years)	3.4	3.0	4.0
VaR banking book at last trading day of period[1] (in millions)	798	701	959

[1] ABN AMRO applies a two-months 99% VaR for the banking book, meaning that a VaR of EUR 1 million implies a 1% chance of loss of more than EUR 1 million within a two-month period.

NII-at-Risk is defined as the worst outcome of two scenarios: a gradual increase in interest rates and a gradual decline in interest rates by 200bps. A floor on interest rates is assumed in the falling rates scenario.

In an increasing interest rate scenario, NII would reduce by 0.3% (EUR 20 million). In an decreasing interest rate scenario, NII would reduce by 2.2% (EUR 130 million).

The short-term sensitivity of net interest income to a further change in the yield curve remains limited. NII-at-Risk in Q3 decreased to 2.2% and, like in the previous quarter, reflects sensitivity to the falling rates scenario. In a scenario in which interest rates rise, the sensitivity is even more limited.

Duration of equity increased moderately to 3.4 years, driven by business developments.

VaR in the banking book showed a limited increase to EUR 798 million.

Liquidity risk

Liquidity indicators

	30 September 2015	30 June 2015	31 December 2014
Loan-to-Deposit ratio	110%	111%	117%
LCR	>100%	>100%	>100%
NSFR	>100%	>100%	>100%
Survival period (moderate stress)	>12 months	>12 months	>12 months
Available liquidity buffer (in billions)	85.4	81.8	73.9

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained above 100% at 30 September 2015.

The survival period reflects the period that the bank's liquidity position is expected to remain positive in a stress scenario in which wholesale funding markets deteriorate and retail and commercial clients withdraw a proportion of their deposits. The survival period was consistently >12 months in the third quarter of 2015.

Loan-to-Deposit ratio

(in millions)	30 September 2015	30 June 2015	31 December 2014
Loans and receivables - customers	261,742	266,776	261,910
Net adjustments	-2,918	-3,926	-2,975
Adjusted loans and receivables - customers	**258,824**	**262,850**	**258,935**
Due to customers	228,529	230,322	216,011
Net adjustments	6,358	6,177	6,196
Adjusted due to customers	**234,887**	**236,500**	**222,207**
Loan-to-Deposit ratio	**110%**	**111%**	**117%**

In the third quarter of 2015, the Loan-to-Deposit (LtD) ratio slightly improved to 110% at 30 September 2015 compared with 111% at 30 June 2015. In the first nine months of 2015, the LtD ratio improved to 110% at 30 September 2015 compared with 117% at 31 December 2014. The ratio improved mainly on a large increase in client deposits in all segments in the first half of the year.

Liquidity buffer composition

(in billions)	30 September 2015 Liquidity buffer	30 September 2015 of which LCR eligible	30 June 2015 Liquidity buffer	30 June 2015 of which LCR eligible	31 December 2014 Liquidity buffer	31 December 2014 of which LCR eligible
Cash & central bank deposits[1]	18.9	18.9	13.3	13.3	5.3	5.3
Government bonds	26.3	27.2	25.4	26.4	27.3	28.3
Covered bonds	1.5	1.3	1.6	1.4	2.0	1.8
Retained RMBS	31.2		33.3		31.8	
Third party RMBS	0.7	0.6	0.9	0.8	1.0	0.8
Other	6.7	3.7	7.4	4.4	6.5	3.7
Total liquidity buffer	**85.4**	**51.8**	**81.8**	**46.3**	**73.9**	**40.0**
- of which in EUR	94.2%		94.1%		92.7%	
- of which in other currencies	5.8%		5.9%		7.3%	

[1] The mandatory cash reserve with the central bank has been deducted from the cash and central bank deposits in the liquidity buffer.

A liquidity buffer of unencumbered assets is retained as a safety cushion in the event of severe liquidity stress. Most of the securities in the liquidity buffer, with the exception of the retained RMBS, are eligible for the LCR. As the internal assessment of the eligibility and haircut for several liquidity instruments deviates from the Basel III regulation, liquidity values may deviate. As the internal haircut on government bonds is higher than that of the LCR, the liquidity buffer value is lower than the LCR eligible amount.

The liquidity buffer increased by EUR 3.6 billion to EUR 85.4 billion at 30 September 2015 compared with EUR 81.8 billion at 30 June 2015. The increase was mainly due to higher Cash & central bank deposits as client loans decreased at a higher pace than client deposits did. In the first nine months of 2015, the liquidity buffer increased by EUR 11.5 billion to EUR 85.4 billion at 30 September 2015, up from EUR 73.9 billion at 31 December 2014. The increase was due to a growth in client deposits (Due to customers).

Funding

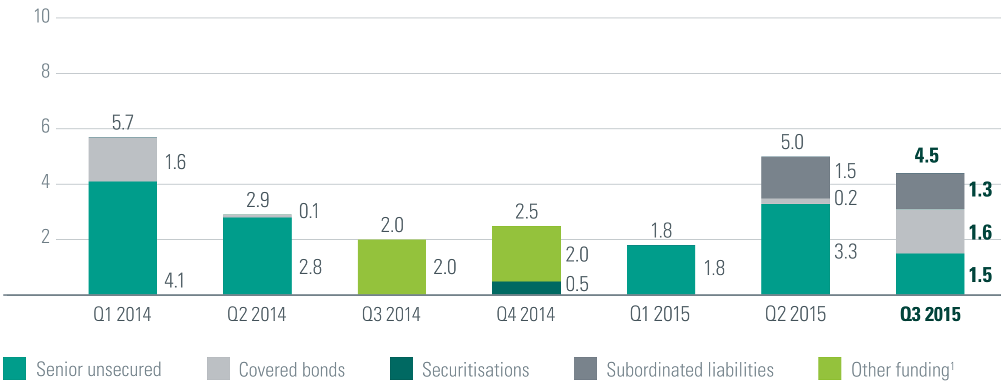
ABN AMRO's funding strategy is based on the bank's moderate risk profile. It aims to optimise and diversify the bank's funding sources in order to maintain its targeted long-term funding position and liquidity profile while also ensuring compliance with regulatory requirements. We aim to strike a balance between the need to have sufficient funding and the costs involved, thereby ensuring that the balance sheet has a diverse, stable and cost-efficient funding base.

Client deposits (payable to customers) comprise a sound core funding base and serve as the main source of funding, complemented by wholesale funding. Client deposits amounted to EUR 228.5 billion on 30 September 2015, decreasing by EUR 1.8 billion from EUR 230.3 billion on 30 June 2015. In the third quarter of 2015, loans and receivables - customers decreased by EUR 5 billion, resulting in a net deposit growth of EUR 3.2 billion.

Funding raised

Long-term funding raised in the third quarter of 2015 amounted to EUR 4.5 billion, 38% of which was raised in non-euro currencies. This includes EUR 1.4 billion of subordinated liabilities. Total long-term funding raised in the first nine months of the year increased to EUR 11.2 billion. In addition EUR 1 billion of AT1 capital was issued in September 2015. The EUR 11.2 billion of long-term funding issued in the first nine months of 2015 matches the EUR 11.2 billion of maturing long-term funding.

Long-term funding raised in 2014 and 2015
(notional amounts, in billions)



[1] Other long-term funding includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty.

Total wholesale funding (issued debt and subordinated liabilities) decreased by EUR 0.8 billion, arriving at EUR 88.8 billion on 30 September 2015 from EUR 89.6 billion on 30 June 2015. This partially offsets the EUR 4.1 billion wholesale funding increase observed in the first half of 2015. In the first nine months of 2015, total wholesale funding increased by EUR 3.3 billion.

Overview of funding types

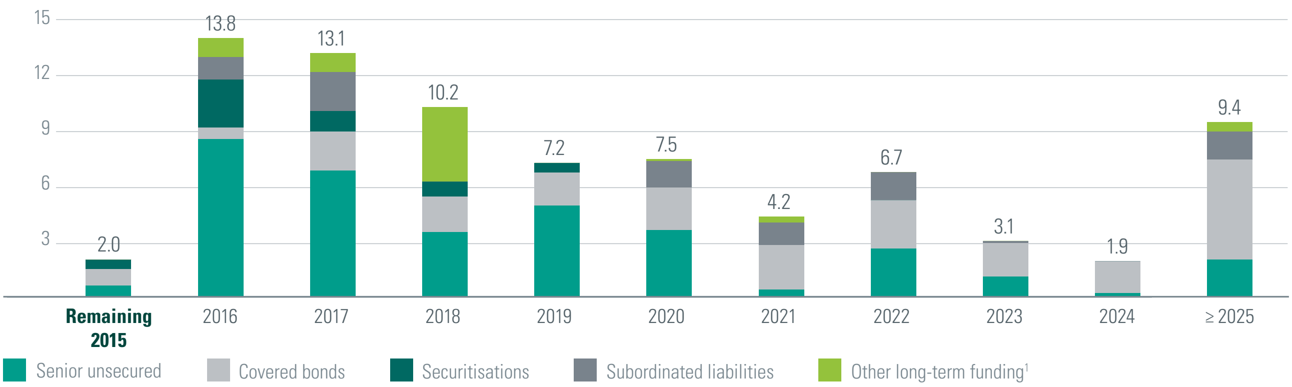
(in millions)	30 September 2015	30 June 2015	31 December 2014
Euro Commercial Paper	2,798	2,304	1,706
London Certificates of Deposit	4,119	5,369	1,436
French Certificats de Dépôt	357	787	1,517
US Commercial Paper	4,440	4,391	4,070
Total Commercial Paper/Certificates of Deposit	**11,714**	**12,850**	**8,729**
Senior unsecured (medium-term notes)	35,403	34,276	32,252
Covered bonds	26,482	26,970	27,077
Securitisations	5,468	5,468	9,001
Saving certificates	59	60	72
Total issued debt	**79,126**	**79,626**	**77,131**
Subordinated liabilities	9,660	9,938	8,328
Total wholesale funding	**88,786**	**89,564**	**85,458**
Other long-term funding[1]	6,798	6,931	6,900
Total funding instruments[2]	**95,584**	**96,494**	**92,358**
- of which CP/CD matures within one year	11,714	12,850	8,729
- of which funding instruments (excl. CP/CD) matures within one year	13,422	15,917	11,618
- of which matures after one year	70,448	67,727	72,012

[1] Includes long-term repos (recorded in Securities financing), TLTRO funding (recorded in Due to banks) and funding with the Dutch State as counterparty (recorded in Due to customers).
[2] Includes FX effects, fair value adjustments and interest movements.

Maturity calendar

Maturity calendar at 30 September 2015

(notional amounts, in billions)



[1] Other long-term funding includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty.

Maturity calendar

(notional amounts, in billions)	Remaining 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	≥ 2025
											30 September 2015
Senior unsecured	0.6	8.5	6.8	3.5	4.9	3.6	0.4	2.6	1.1	0.2	2.0
Covered bonds	0.9	0.6	2.1	1.9	1.8	2.3	2.4	2.6	1.8	1.7	5.4
Securitisations	0.5	2.6	1.1	0.8	0.5						
Subordinated liabilities		1.2	2.1			1.4	1.2	1.5	0.1		1.5
Other long-term funding[1]		1.0	1.0	4.0		0.1	0.3				0.5
Total	**2.0**	**13.8**	**13.1**	**10.2**	**7.2**	**7.5**	**4.2**	**6.7**	**3.1**	**1.9**	**9.4**

[1] Other long-term funding includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty.

The remaining maturity of the total outstanding long-term wholesale funding increased slightly from 4.4 to 4.6 years.

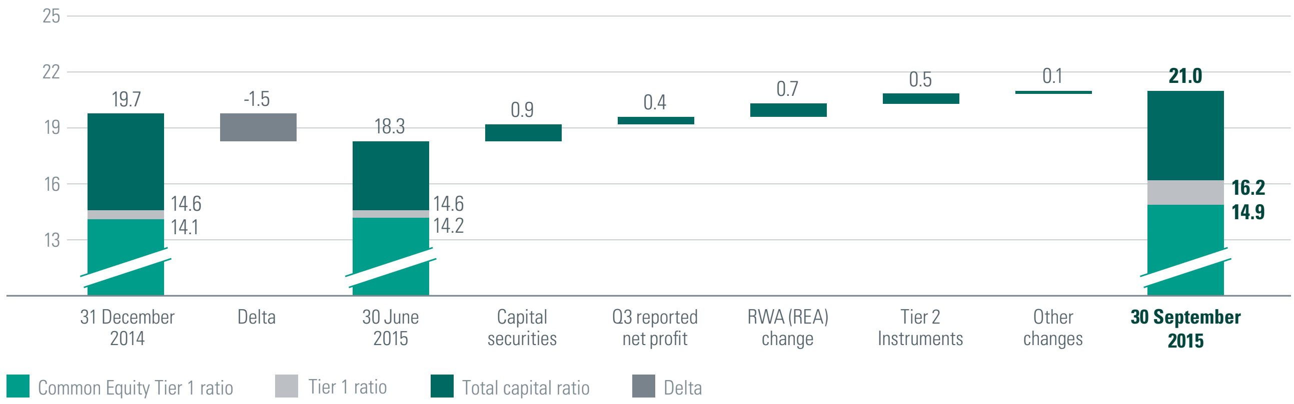
Capital management

ABN AMRO's solid capital position ensures that the bank is already compliant with the more stringent fully-loaded capital requirements of Basel III. The overall capital base substantially increased over the third quarter due to accumulated profit and Additional Tier 1 and Tier 2 issuances. The bank strives to optimise its capital structure in anticipation of upcoming regulatory requirements. The capital structure consists mainly of highly loss-absorbing capital to cover unexpected losses. The subordination in specific capital elements provides further protection to senior creditors.

Regulatory capital structure

(in millions)	30 September 2015	30 June 2015	31 December 2014
Total equity (EU IFRS)	**17,094**	**15,899**	**14,877**
Cash flow hedge reserve	1,152	1,233	1,223
Dividend reserve	-312	-457	-275
Capital securities	-993		
Other regulatory adjustments	-436	-394	-399
Common Equity Tier 1	**16,505**	**16,281**	**15,426**
Innovative hybrid capital instruments	700	700	800
Capital securities	993		
Other regulatory adjustments	-237	-243	-241
Tier 1 capital	**17,961**	**16,738**	**15,985**
Subordinated liabilities Tier 2	4,885	4,260	5,502
Excess Tier 1 capital recognised as Tier 2 capital	300		200
Other regulatory adjustments	30	-8	-39
Total regulatory capital	**23,177**	**20,990**	**21,648**
Total risk-weighted assets (risk exposure amount)	**110,602**	**114,930**	**109,647**
Common Equity Tier 1 ratio	14.9%	14.2%	14.1%
Tier 1 ratio	16.2%	14.6%	14.6%
Total capital ratio	21.0%	18.3%	19.7%
Common Equity Tier 1 capital (fully-loaded)	16,380	16,121	15,435
Common Equity Tier 1 ratio (fully-loaded)	14.8%	14.0%	14.1%
Tier 1 capital (fully-loaded)	17,373	16,121	15,435
Tier 1 ratio (fully-loaded)	15.7%	14.0%	14.1%
Total capital (fully-loaded)	20,311	17,691	20,746
Total capital ratio (fully-loaded)	18.4%	15.4%	18.9%

Developments impacting capital ratios in Q3 2015
(in %)



As of the 30 September 2015, the phase-in CRD IV Common Equity Tier 1, Tier 1 and Total Capital ratios were 14.9%, 16.2% and 21.0% respectively, showing an increase when compared with Q2 2015. All capital ratios were well above regulatory minimum requirements and in line with the bank's risk appetite and strategic ambitions. ABN AMRO's capital position has strengthened over the past quarter, as a result of profit accumulation and the issuance of capital instruments. ABN AMRO issued a EUR 1.0 billion Additional Tier 1 instrument in September. In addition, ABN AMRO issued a USD 1.5 billion Tier 2 instrument in July 2015, supporting the capital base and providing compensation for the call of a grandfathered EUR 1.65 billion Tier 2 instrument in July 2015. The Tier 2 issuance led to an increase in Total Capital of EUR 1.3 billion at 30 September 2015, while the call had a negative impact of EUR 0.7 billion at that date, resulting in a net increase of the Total Capital ratio of 0.5 percentage points at 30 September 2015 compared with 30 June 2015.

Furthermore, capital ratios are supported by a decrease in group level RWA (REA) as compared with June 2015. Total RWA (REA) decreased by EUR 4.3 billion, amounting to EUR 110.6 billion at 30 September 2015, compared with EUR 114.9 billion at 30 June 2015. This decrease was primarily caused by lower credit risk in Corporate Banking and Group Functions. More information on RWA (REA) is provided in the risk sections of this report.

The fully-loaded Common Equity Tier 1, fully-loaded Tier 1 and fully-loaded Total Capital ratio have increased to 14.8%, 15.7% and 18.4% respectively over the past quarter.

Since 31 December 2014, the fully-loaded Total Capital ratio has decreased by 0.5 percentage point. This decrease can be attributed to the fact that the ECB informed ABN AMRO in August that certain Tier 2 instruments of ABN AMRO Bank were to be excluded from the total capital calculation. The exclusion applies to Tier 2 instruments that had been issued after year-end 2011 (the CRR cut-off date) and before revocation of the 403-liability statement of ABN AMRO Group that had been issued on behalf of ABN AMRO Bank. These Tier 2 instruments no longer meet the requirements of the Capital Requirements Regulation (CRR). Furthermore, three other instruments became subject to the grandfathering regime and their Tier 2 eligibility amortises annually. The change in Tier 2 eligibility caused the Total Capital ratio to decrease, although profit accumulation, capital issuances and a decrease in RWA (REA) have partly offset these developments.

Dividend

Over the full year 2015, ABN AMRO intends to pay a dividend of 40% of the reported net profit, of which EUR 350 million has already been paid out as interim dividend.

MREL

The Group is monitoring upcoming regulatory requirements in relation to MREL and TLAC and aims for equal or above 8% MREL by year-end 2018 (through subordinated debt and profit retention) and pre-position for TLAC through subordinated debt and profit retention. The final requirements for MREL and TLAC will determine the precise measures to be undertaken to achieve the MREL requirement. At 30 September 2015, the Group had a fully-loaded leverage ratio of 3.5%, and 6.4% MREL (based on Own Funds and Other subordinated liabilities).

Leverage ratio

	30 September 2015		30 June 2015	31 December 2014
	Phase-in	Fully-loaded	Fully-loaded	Fully-loaded
Tier 1 capital	**17,961**	**17,373**	**16,121**	**15,435**
Exposure measure (under CDR)				
On-balance sheet exposures	413,287	413,287	410,661	386,867
Off-balance sheet items	28,269	28,269	28,468	26,702
On-balance sheet netting	31,228	31,228	44,729	37,709
Derivative exposure	47,216	47,216	51,869	-11,783
Securities financing exposures	1,440	1,440	1,758	1,078
Other regulatory measures	-18,871	-18,802	-19,971	-19,262
Exposure measure	**502,570**	**502,639**	**517,514**	**421,311**
Leverage ratio (CDR)	**3.6%**	**3.5%**	**3.1%**	**3.7%**

The CRR introduced a non-risk based leverage ratio to be monitored until 2017 and to be further refined and calibrated before becoming a binding measure as from 2018. The Commission Delegated Regulation (CDR), applicable since 1 January 2015, amended the leverage ratio definition to enhance comparability of the leverage ratio disclosures.

The fully-loaded CDR leverage ratio amounted to 3.5% at 30 September 2015, increasing from 3.1% at 30 June 2015. The leverage ratio benefitted from an increase in Tier 1 capital, driven by retained earnings and the newly issued AT1 instrument. Additionally, the exposure measure declined and benefitted from a decline of the notional pooling and derivative exposure position.

The fully-loaded CDR leverage ratio as at 30 September 2015 shows a decrease of 0.2 percentage point when compared to the 2014 year-end level of 3.7%. In Q2 2015 a revised calculation method for the exposure measure for clearing services was implemented, causing an exposure measure increase of approximately EUR 53 billion[1]. If the fully-loaded leverage ratio had been calculated consistently using this revised calculation method, the leverage ratio would have amounted to 3.2% at 31 December 2014.

[1] As set out in Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio ("CDR").

Regulatory capital developments

The Capital Requirements Directive IV (CRD IV) and the Capital Requirements Regulation (CRR) set the framework for the implementation of Basel III in the European Union. CRD IV and CRR have been phased in since 1 January 2014 and will be fully effective by January 2019.

The Bank Recovery and Resolution Directive (BRRD) provides authorities with more comprehensive and effective measures to deal with failing banks. Implementation of BRRD in the European Union already began in 2015 and the bail-in framework will be introduced as from January 2016. Implementation of the bail-in framework has led to the introduction of additional loss-absorbing measures, such as the Minimum Requirement for own funds and Eligible Liabilities (MREL) and Total Loss Absorbing Capacity (TLAC).

ABN AMRO will continue to issue new capital instruments to further enhance its buffer of loss-absorbing instruments in view of scheduled amortisations, MREL/TLAC and any other regulatory changes.

The Basel Committee on Banking Supervision has presented two consultative documents on a revision of the Standardised Approach and the design of a capital floor framework based on this revised Standardised Approach. This framework will replace the current transitional floor based on the Basel I standard. The aim of the revised capital floor framework is to enhance the reliability and comparability of risk-weighted capital ratios.

Regulatory developments, such as the Basel proposal (especially with respect to the risk-weighting of mortgages and corporate loans) and increasing capital requirements set by the regulators could have a significant impact on our capital position going forward. Hence, we will continue to focus on capital efficiency and further strengthen our capital position.

condensed consolidated interim financial statements 2015

Certain IFRS disclosures in the Risk, funding & capital information section are labelled as 'Reviewed' in the respective headings. These disclosures are an integral part of the Condensed Consolidated Interim Financial Statements and are covered by the Review opinion.

Condensed consolidated income statement

(in millions)	Note	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Income					
Interest income		3,305	3,316	10,029	10,015
Interest expense		1,782	1,786	5,449	5,611
Net interest income		**1,524**	**1,530**	**4,580**	**4,403**
Fee and commission income		779	663	2,290	1,981
Fee and commission expense		330	244	915	720
Net fee and commission income		**449**	**419**	**1,375**	**1,260**
Net trading income		48	33	103	142
Share of result in equity accounted investments		2	18	14	47
Other operating income		86	9	332	57
Operating income	4	**2,109**	**2,009**	**6,403**	**5,910**
Expenses					
Personnel expenses		619	591	1,852	2,035
General and administrative expenses		571	584	1,719	1,784
Depreciation and amortisation of tangible and intangible assets		44	40	128	122
Operating expenses	5	**1,234**	**1,214**	**3,700**	**3,941**
Impairment charges on loans and other receivables		94	287	381	990
Total expenses		**1,329**	**1,501**	**4,081**	**4,931**
Operating profit/(loss) before taxation		**781**	**508**	**2,322**	**978**
Income tax expense	6	272	125	670	245
Profit/(loss) for the period		**509**	**383**	**1,652**	**734**
Attributable to:					
Owners of the company		509	383	1,652	734
Non-controlling interests		-1		1	-1

Condensed consolidated statement of comprehensive income

(in millions)	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Profit/(loss) for the period	**509**	**383**	**1,652**	**734**
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Remeasurement gains / (losses) on defined benefit plans	-1		-5	-187
Items that will not be reclassified to the income statement before taxation	**-1**		**-5**	**-187**
Income tax relating to items that will not be reclassified to the income statement			-1	-47
Items that will not be reclassified to the income statement after taxation	**-1**		**-4**	**-141**
Items that may be reclassified to the income statement				
Currency translation reserve	-60	56	57	72
Available-for-sale reserve	46	89	92	258
Cash flow hedge reserve	108	145	94	391
Share of other comprehensive income of associates	-12	-1	6	7
Other changes		10	-4	15
Other comprehensive income for the period before taxation	**82**	**299**	**246**	**744**
Income tax relating to components of other comprehensive income	38	60	45	160
Other comprehensive income for the period after taxation	**45**	**239**	**201**	**584**
Total comprehensive income/(expense) for the period after taxation	**553**	**622**	**1,850**	**1,177**
Total comprehensive income attributable to:				
Owners of the company	553	622	1,849	1,178
Non-controlling interests	-1		1	-1

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

Condensed consolidated statement of financial position

(in millions)	Note	30 September 2015	31 December 2014
Assets			
Cash and balances at central banks		20,738	706
Financial assets held for trading	7	8,592	9,017
Derivatives	8	20,695	25,285
Financial investments	9	40,412	41,466
Securities financing	10	35,475	18,511
Loans and receivables – banks	12	17,794	21,680
Residential mortgages	13	151,670	151,998
Consumer loans	13	14,790	15,398
Corporate loans	13	88,028	87,866
Other loans and receivables – customers	13	7,254	6,648
Equity accounted investments		768	1,136
Property and equipment		1,356	1,412
Goodwill and other intangible assets		259	255
Tax assets		410	504
Other assets		5,047	4,986
Total assets		**413,287**	**386,867**
Liabilities			
Financial liabilities held for trading	7	2,940	3,759
Derivatives	8	24,624	30,449
Securities financing	10	25,901	13,918
Due to banks	15	18,487	15,744
Demand deposits	16	115,956	109,753
Saving deposits	16	94,233	88,655
Time deposits	16	18,183	17,459
Other due to customers	16	156	144
Issued debt	17	79,126	77,131
Subordinated liabilities	17	9,660	8,328
Provisions	18	1,148	1,003
Tax liabilities		583	175
Other liabilities		5,196	5,473
Total liabilities		**396,193**	**371,990**
Equity			
Share capital		940	940
Share premium		12,970	12,970
Other reserves (incl. retained earnings/profit for the period)		2,792	1,769
Other comprehensive income		-613	-814
Equity attributable to owners of the parent company		**16,089**	**14,865**
Capital securities		993	
Equity attributable to non-controlling interests		12	12
Total equity		**17,094**	**14,877**
Total liabilities and equity		**413,287**	**386,867**
Committed credit facilities	19	20,018	16,164
Guarantees and other commitments	19	13,887	15,335

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium reserve	Other reserves including retained earnings	Other comprehensive income	Net profit/ (loss) attributable to shareholders	Total	Capital securities	Non-controlling interests	Total equity
Balance at 1 January 2014	**940**	**12,970**	**3,392**	**-4,909**	**1,162**	**13,555**		**13**	**13,568**
Total comprehensive income			15	428	734	1,178		-1	1,177
Transfer			1,162		-1,162				
Dividend			-200			-200			-200
Reclassification post-employment benefit plan			-3,606	3,606					
Increase/(decrease) of capital									
Balance at 30 September 2014	**940**	**12,970**	**763**	**-875**	**734**	**14,532**		**12**	**14,544**
Balance at 1 January 2015	**940**	**12,970**	**635**	**-814**	**1,134**	**14,865**		**12**	**14,877**
Total comprehensive income			-4	201	1,652	1,849		1	1,850
Transfer			1,134		-1,134				
Dividend			-625			-625			-625
Increase/(decrease) of capital							993		993
Other changes in equity								-1	-1
Balance at 30 September 2015	**940**	**12,970**	**1,140**	**-613**	**1,652**	**16,089**	**993**	**12**	**17,094**

Specification of other comprehensive income is as follows:

(in millions)	Remeasurement gains / (losses) on post-retirement benefit plans	Currency translation reserve	Available-for-sale reserve	Cash flow hedge reserve	Share of OCI of associates and joint ventures	Total
Balance at 1 January 2014	**-3,502**	**-64**	**59**	**-1,467**	**65**	**-4,909**
Reclassification post-employment benefit plan	3,606					3,606
Net gains/(losses) arising during the period	-187	72	258	352	7	502
Less: Net realised gains/(losses) included in income statement				-40		-39
Net gains/(losses) in equity	-187	72	258	391	7	541
Related income tax	-47	-3	65	98		113
Balance at 30 September 2014	**-37**	**12**	**252**	**-1,174**	**72**	**-875**
Balance at 1 January 2015	**-38**	**36**	**329**	**-1,223**	**82**	**-814**
Net gains/(losses) arising during the period	-5	57	109	59	6	226
Less: Net realised gains/(losses) included in income statement			17	-35		-19
Net gains/(losses) in equity	**-5**	**57**	**92**	**94**	**6**	**245**
Related income tax	-1		21	24		44
Balance at 30 September 2015	**-42**	**93**	**400**	**-1,152**	**88**	**-613**

2015

Total comprehensive income of EUR 1,850 million includes EUR 1,652 million profit for the first nine months of 2015. Transfer includes allocation of the profit of the prior period to Other reserves.

In September 2015 ABN AMRO Bank N.V. issued EUR 1 billion in Capital Securities including a premium discount of EUR 7 million. The capital securities qualify as Additional Tier 1 capital as described in CRD IV and CRR. The capital securities are perpetual, unsecured and deeply subordinated. Redemption is discretionary to ABN AMRO Bank N.V. on the interest reset date in year 5 subject to regulatory approval. The securities can be called on a yearly basis after year 5. There is a fixed interest coupon of 5.75%, payable semi-annually. Interest is non-cumulative and fully at the discretion of ABN AMRO Bank N.V. No interest will be paid if there are insufficient distributable items and/or maximum distributable amount (MDA) restrictions are constraining. ABN AMRO Bank N.V. will give due consideration to the hierarchy of the instrument with regard to distribution.

A final dividend of EUR 275 million was paid out to ordinary shareholders, bringing the total dividend for 2014 to EUR 400 million. An interim dividend of EUR 350 million was paid to shareholders in August 2015.

2014

Total comprehensive income of EUR 1,177 million includes EUR 734 million profit for the first nine months of 2014. Transfer includes allocation of the profit of the prior period to Other reserves.

A final dividend of EUR 200 million was paid to ordinary shareholders, bringing the total dividend for 2013 to EUR 350 million.

ABN AMRO announced that it had reached a negotiated result with the trade unions and the ABN AMRO Pension Fund on a new pension scheme for its employees in the Netherlands as part of the new collective labor agreement (CLA). The new pension scheme is a collective defined contribution (CDC) plan. The settlement on 12 June 2014 resulted in a release for post-employment benefit plans (in other comprehensive income) of EUR 3,606 million (EUR 4,808 million less EUR 1,202 million in tax) from remeasurement gains/(losses) to Other reserves including retained earnings.

Condensed consolidated statement of cash flows

(in millions)	Nine months 2015	Nine months 2014
Profit/(loss) for the period	**1,652**	**734**
Adjustments on non-cash items included in profit:		
(Un)realised gains/(losses)	26	204
Share of profits in associates and joint ventures	-20	-57
Depreciation, amortisation and accretion	233	395
Provisions and impairment losses	455	1,035
Income tax expense	670	245
Changes in operating assets and liabilities:		
Assets held for trading	517	-280
Derivatives – assets	4,557	-8,817
Securities financing - assets	-15,914	-18,239
Loans and receivables – banks	6,054	4,138
Residential mortgages	370	275
Consumer loans	675	87
Corporate loans	328	-1,680
Other loans and receivables – customers	-272	-2,267
Other assets	-113	-85
Liabilities held for trading	-1,000	357
Derivatives – liabilities	-5,834	9,334
Securities financing – liabilities	11,362	15,729
Due to banks	2,652	4,333
Demand deposits	5,514	4,933
Saving deposits	5,536	2,468
Time deposits	502	-916
Other due to customers	13	-213
Liabilities arising from insurance and investment contracts	-148	-119
Net changes in all other operational assets and liabilities	187	-1,184
Dividend received from associates	44	35
Income tax paid	-214	-62
Cash flow from operating activities	**17,832**	**10,382**

continued >

Investing activities:		
Purchases of financial investments	-12,200	-18,350
Proceeds from sales and redemptions of financial investments	13,466	7,867
Acquisition of subsidiaries (net of cash acquired), associates and joint ventures	-23	-98
Divestments of subsidiaries (net of cash sold), associates and joint ventures	132	74
Purchases of property and equipment	-191	-177
Proceeds from sales of property and equipment	117	75
Purchases of intangible assets	-30	-107
Cash flow from investing activities	**1,271**	**-10,714**
Financing activities:		
Proceeds from the issuance of debt	30,012	22,040
Repayment of issued debt	-28,535	-32,239
Proceeds from subordinated liabilities issued	2,839	
Repayment of subordinated liabilities issued	-1,653	-51
Proceeds from capital securities	993	
Dividends paid to the owners of the parent company	-625	-200
Cash flow from financing activities	**3,030**	**-10,450**
Net increase/(decrease) of cash and cash equivalents	22,133	-10,782
Cash and cash equivalents as at 1 January	4,212	15,319
Effect of exchange rate differences on cash and cash equivalents	72	117
Cash and cash equivalents as at 30 September	**26,417**	**4,654**
Supplementary disclosure of operating cash flow information		
Interest paid	5,513	5,892
Interest received	10,768	9,880
Dividend received from investments	51	63

The following table shows the determination of cash and cash equivalents.

(in millions)	30 September 2015	30 september 2014
Cash and balances at central banks	20,738	815
Loans and receivables banks (less than 3 months)[1]	5,679	3,839
Total cash and cash equivalents	**26,417**	**4,654**

1 Loans and receivables banks with a original maturity less than 3 months is included in Loans and receivables - banks. See note 12.

notes to the Condensed Consolidated Interim Financial Statements

1 Accounting policies

The notes to the Condensed Consolidated Interim Financial Statements, including the reviewed sections in the Risk, funding & capital information section, are an integral part of these Condensed Consolidated Interim Financial Statements.

Corporate information

ABN AMRO Group N.V. (referred to as 'ABN AMRO Group') is the parent company of ABN AMRO Bank N.V. and a related consolidated group of companies (referred to as 'the Group' or 'ABN AMRO'). ABN AMRO Group is a public limited liability company, incorporated under Dutch law on 18 December 2009, and registered at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

All ordinary shares in ABN AMRO Group N.V., representing 100% of the voting rights, have been held by a foundation named Stichting administratiekantoor beheer financiële instellingen (NLFI) since 16 May 2013.

ABN AMRO provides a broad range of financial services to retail, private and corporate banking clients. These activities are conducted primarily in the Netherlands and selectively abroad.

The Condensed Consolidated Interim Financial Statements of ABN AMRO Group for the nine months ending on 30 September 2015 incorporate financial information of ABN AMRO Group N.V., its controlled entities, interests in associates and joint ventures. The Condensed Consolidated Interim Financial Statements were prepared by the Managing Board and authorised for issue by the Supervisory Board and Managing Board on 6 November 2015.

Basis of presentation

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting (endorsed by the European Union (EU)).

The Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with ABN AMRO Group's 2014 Consolidated Annual Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies used in these Condensed Consolidated Interim Financial Statements are consistent with those set out in the notes to the 2014 Consolidated Annual Financial Statements of ABN AMRO Group, except for the changes in accounting policies described below.

The Condensed Consolidated Interim Financial Statements are presented in euros, which is ABN AMRO Group's presentation currency, rounded to the nearest million (unless otherwise noted). Certain figures in these Condensed Consolidated Interim Financial Statements may not tally exactly due to rounding.

Changes in accounting policies

In the first nine months of 2015 ABN AMRO adopted the following amendments and interpretations:

- Defined Benefit Plans: Employee Contributions;
- Annual improvements to IFRSs 2010-2012 Cycle – various standards;
- Annual improvements to IFRSs 2011-2013 Cycle – various standards.

None of the above amendments has a significant impact on the Condensed Consolidated Interim Financial Statements.

New accounting standards and amendments

The IASB did not issued any new standards or amendments in the third quarter of 2015. The following standards and amendments are still subject to endorsement by the European Union and therefore not open for early adoption.

IFRS 9 Financial Instruments

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and the mandatory effective date is 1 January 2018. ABN AMRO is currently assessing the impact on its financial statements. The impact on the financial statements is expected to be largest for the changes to the impairment model. IFRS 9 replaces the 'incurred loss' model with the 'expected credit loss model' which is designed to be more forward-looking. The result of this forward-looking approach will be higher loan loss impairments and corresponding lower equity.

IFRS 15 Revenue from Contracts with customers

In May 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standards set out requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). The proposed effective date by the IASB is 1 January 2018. ABN AMRO is currently assessing the impact of the new standard.

Narrow scope amendments

The IASB has issued amendments to several standards, all of which have an effective date of 1 January 2016 and are expected to be endorsed before the effective date. These amendments were assessed and are not expected to have a significant impact on ABN AMRO's Condensed Consolidated Interim Financial Statements.

Accounting treatment client clearing

The client clearing of exchange traded derivatives is an evolving area in global financial markets and very relevant to ABN AMRO for its clearing member activities. Also the accounting treatment of clearing activities continues to generate discussion in the sector. The analysis of whether a clearing member has become party to one or more financial instruments as a result of the client clearing transactions is complex and is further complicated by the pace of change in the market around the global clearing processes. This involves among others the assessment of recognition of derivatives as well as the possible subsequent derecognition or offsetting of positions. Going forward, ABN AMRO will continue to stay abreast of the changing market practices and will make the resulting accounting changes needed, if any, to ensure that the accounting treatment remains appropriate.

2 Segment reporting

Retail Banking

Retail Banking serves Mass Retail, Preferred Banking and YourBusiness Banking clients (SME clients with turnover up to EUR 1 million) and offers a wide variety of banking and insurance products and services through the bank's branch network, online, via contact centres and through subsidiaries. In addition, MoneYou is part of Retail Banking.

Private Banking

Private Banking provides total solutions to its clients' global wealth management needs and offers a rich array of products and services designed to address their individual requirements. Private Banking operates under the brand name ABN AMRO MeesPierson in the Netherlands and internationally under ABN AMRO Private Banking, as well as local brands such as Banque Neuflize OBC in France and Bethmann Bank in Germany.

Corporate Banking

Corporate Banking consists of the sub-segments Commercial Clients, International Clients and Capital Markets Solutions.

- Commercial Clients serves business clients with revenues from EUR 1 million up to EUR 250 million, and clients active in Commercial Real Estate (excluding publicly listed companies, which are served by the International Clients sub-segment). ABN AMRO's Lease and Commercial Finance activities are also part of this sub-segment;
- International Clients serves business clients with revenues exceeding EUR 250 million, as well as Energy, Commodities & Transportation (ECT) Clients, Diamond & Jewellery Clients, Financial Institutions and Listed Commercial Real Estate clients;
- Capital Markets Solutions serves clients by providing products and services related to financial markets. This sub-segment includes Clearing.

Group Functions

Group Functions supports the business segments and consists of Technology, Operations & Property Services (TOPS), Finance, Risk Management & Strategy, People, Regulations & Identity (PR&I), Group Audit and the Corporate Office. The majority of the Group Functions costs are allocated to the businesses. Group Functions' results include those of ALM/Treasury as well as the Securities financing activities.

Segment income statement for the first nine months of 2015

	Nine months 2015					
(in millions)	Retail Banking	Private Banking	Corporate Banking	Group Functions	Special items and divestments	Total
Net interest income	2,497	440	1,597	45		4,580
Net fee and commission income	395	470	565	-55		1,375
Net trading income	6	46	146	-96		103
Share of result in equity accounted investments	16	11	-16	2		14
Other operating income	-2	23	94	217		332
Operating income	**2,912**	**992**	**2,385**	**114**		**6,403**
Personnel expenses	367	382	510	594		1,852
General and administrative expenses	257	194	198	1,071		1,719
Depreciation and amortisation of tangible and intangible assets	6	18	14	90		128
Intersegment revenues/expenses	861	178	634	-1,672		
Operating expenses	**1,490**	**771**	**1,356**	**83**		**3,700**
Impairment charges on loans and other receivables	90	-10	309	-8		381
Total expenses	**1,580**	**761**	**1,665**	**75**		**4,081**
Operating profit/(loss) before taxation	**1,333**	**231**	**720**	**39**		**2,322**
Income tax expense	334	43	148	145		670
Underlying profit/(loss) for the period	**999**	**188**	**572**	**-106**		
Special items and divestments						
Profit/(loss) for the period	**999**	**188**	**572**	**-106**		**1,652**
Attributable to:						
Owners of the company	999	188	572	-106		1,652
Non-controlling interests						1

Segment income statement for the first nine months of 2014

(in millions)	Retail Banking	Private Banking	Corporate Banking	Group Functions	Special items and divestments	Total
						Nine months 2014
Net interest income	2,494	441	1,473	-5		4,403
Net fee and commission income	397	404	471	-11		1,260
Net trading income	5	29	101	7		142
Share of result in equity accounted investments	31	13	-7	9		47
Other operating income	-9	4	20	41		57
Operating income	**2,918**	**892**	**2,058**	**42**		**5,910**
Personnel expenses	374	337	460	576	288	2,035
General and administrative expenses	254	176	169	985	201	1,784
Depreciation and amortisation of tangible and intangible assets	6	14	12	90		122
Intersegment revenues/expenses	804	158	606	-1,568		
Operating expenses	**1,438**	**684**	**1,247**	**83**	**489**	**3,941**
Impairment charges on loans and other receivables	361	35	619	-25		990
Total expenses	**1,799**	**719**	**1,866**	**58**	**489**	**4,931**
Operating profit/(loss) before taxation	**1,119**	**173**	**192**	**-17**	**-489**	**978**
Income tax expense	279	28	38	-28	-72	245
Underlying profit/(loss) for the period	**840**	**145**	**154**	**11**	**-417**	
Special items and divestments				-417	417	
Profit/(loss) for the period	**840**	**145**	**154**	**-406**		**734**
Attributable to:						
Owners of the company	840	145	154	-406		734
Non-controlling interests			-1			-1

Retail Banking

Net interest income, at EUR 2,497 million, remained nearly stable compared with the same period of the previous year. Improved margins on mortgages resulting from the gradual re-pricing of the mortgage book were offset by lower lending volumes. Interest income on deposits remained stable. Higher average savings volumes were offset by decreasing margins as market rates declined at a faster pace than client savings rates did.

Net fee and commission income, at EUR 395 million in the first nine months of 2015, was marginally lower than in the same period of the previous year.

Share of result in equity accounted investments decreased due to lower results of our insurance joint venture Delta Lloyd.

Personnel expenses decreased by EUR 7 million or 2% due to lower average FTE levels, following a further reduction in branches. This was partly offset by higher pension expenses.

Intersegment expenses were up EUR 57 million to EUR 861 million in the first nine months of 2015, mainly attributable to increased mortgage production and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes).

Impairment charges on loans and other receivables fell by EUR 271 million compared with the first nine months of 2014, to EUR 90 million in 2015. The decrease in impairments was visible in both the mortgage portfolio as well as the consumer loan portfolio. Improved circumstances in the housing market and the recovery of the Dutch economy contributed to a lower inflow and increased outflow of clients in the impaired portfolio and an improvement of the portfolio's risk profile.

In addition, the improvement of the Dutch economy and consequently the asset quality of the mortgage and consumer loan portfolios also led to releases from the IBNI allowances totalling EUR 73 million in the first nine months of 2015, while the previous year included an IBNI addition of EUR 40 million.

Private Banking

Net interest income amounted to EUR 440 million and was nearly stable compared with the same period in 2014.

Net fee and commission income increased by EUR 66 million, or 17% to EUR 470 million in the first nine months of 2015. Net fees increased due to higher client assets in the first half of 2015, benefiting from the strong stock market performance in that period. Private Banking also generated additional fee income from the acquired German activities.

Net trading income increased to EUR 46 million in the first nine months of 2015 compared with EUR 29 million in 2014. Other operating income in 2015 was EUR 19 million higher, due to the sale of premises in the first half of 2015.

Personnel expenses inceased by EUR 45 million to EUR 382 million in the first nine months of 2015. The increase in the international activities was mainly attributable to the acquired German activities, the restructuring provision for the announced integration of Jersey into ABN AMRO Guernsey, FTE growth and FX impact. In the Netherlands, personnel expenses increased due mainly to higher pension expenses.

Both General and administrative expenses and Intersegment expenses increased compared with the first nine months of 2014 by EUR 18 million and EUR 20 million respectively. This increase was primarily related to higher project costs related to enhancing client centricity and client documentation and continuous improvement of products, services and IT processes (including TOPS2020 programme). The same period in 2014 included project costs for the acquisition in Germany.

Impairment charges on loans and other receivables showed a net release of EUR 10 million, versus EUR 35 million impairment additions in the same period in 2014. The decrease in impairment charges is partially explained by a EUR 12 million IBNI release.

Corporate Banking

Net interest income increased by EUR 124 million to EUR 1,597 million. The improvement was seen in all of the sub-segments.

Commercial Clients posted a modest rise in net interest income of EUR 35 million to EUR 965 million in the first nine months of 2015. Commercial Clients benefited from higher margins on loans as well as higher average deposit volumes. Average loan volumes and deposit margins, however, decreased compared with the same period in 2014. The net positive impact of volumes and margin developments was partly offset by a negative one-off in Q3 2015.

Net interest income in International Clients increased by EUR 55 million to EUR 533 million, benefiting from growth in the ECT Clients loan portfolio and FX rate developments. This was partly offset by lower margins on deposits.

Net interest income in Capital Markets Solutions improved by EUR 34 million, mainly in Clearing, driven by increased market activity.

Net fee and commission income increased by EUR 94 million compared with the same period in 2014 to EUR 565 million. Fee growth was mainly driven by higher transaction volumes in Capital Markets Solutions resulting from increased volatility in the financial markets. Corporate Finance fees were also higher on the back of increased M&A activity.

Net trading income was up by EUR 45 million, rising to EUR 146 million in the first nine months of 2015. The increase was mainly driven by a higher CVA/DVA/FVA impact compared with the same period in 2014 which included the first-time application of the FVA. Total CVA/DVA/FVA impact was EUR 34 million positive in the first nine months of 2015 versus EUR 53 million negative in the first nine months of 2014. This was partly offset by a provision for possible derivative-related issues for a group of SMEs.

Other operating income increased to EUR 94 million in the first nine months of 2015, up by EUR 74 million on the first nine months in 2014 (EUR 20 million). Income improved by favourable revaluation and divestment results on the Equity Participations portfolio, which increased on the back of improved market conditions.

Personnel expenses amounted to EUR 510 million, up by EUR 50 million compared with the same period last year. Personnel expenses were impacted by higher pension expenses. Both 2014 and 2015 included restructuring provisions.

Both General and administrative expenses and Intersegment expenses increased compared with the first nine months of 2014 by EUR 29 million and EUR 28 million respectively. The increase was mainly related to higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 programme).

Impairment charges on loans and other receivables amounted to EUR 309 million, down by 50% compared with the same period in 2014. Impairment charges on Commercial Clients decreased significantly in the first nine months of 2015 compared with the first nine months of 2014. International Clients had lower impairments.

Group Functions

Net interest income rose by EUR 50 million compared with the same period last year. The increase was mainly driven by lower funding costs due to lower spread levels paid on funding. This was partly offset by our tax-exempt non-recurring provision related to the part of the Securities Financing activities discontinued in 2009 and higher funding levels.

Net fee and commission income decreased by EUR 44 million, mainly driven by higher fees paid to Capital Markets Solutions related to Securities Financing activities.

Net trading income decreased mainly due to our tax-exempt provision related to the part of the Securities Financing activities discontinued in 2009, partly compensated by favourable CVA/DVA adjustments on the trading book loans (EUR 22 million positive in the first nine months of 2015 and EUR 8 million positive in the first nine months of 2014).

Other operating income increased by EUR 176 million to EUR 217 million due to hedge accounting ineffectiveness and economic hedge gains, and unrealised gains on Private Investment Products.

Personnel expenses, at EUR 594 million in the first nine months of 2015, went up by EUR 18 million compared with the same period in 2014. This increase was mainly driven by higher pension expenses and an increase in the number of FTEs.

General and administrative expenses increased by EUR 86 million compared with the same period in 2014. This was due mainly to the EUR 55 million settlement with Vestia and higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes), partly offset by a considerable VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014. The same period in 2014 was impacted by AQR project expenses.Income tax expenses in the first nine months of 2015 were negatively impacted by our reassessment of our tax position and our tax-exempt Securities Financing provision.

Selected assets and liabilities by segment

					30 September 2015
(in millions)	Retail Banking	Private Banking	Corporate Banking	Group Functions	Total
Assets					
Financial assets held for trading			8,666	-74	8,592
Derivatives		119	16,325	4,251	20,695
Securities financing		6	6,009	29,460	35,475
Residential mortgages	145,059	3,090	12	3,509	151,670
Consumer loans	8,262	5,872	655		14,790
Corporate loans	2,744	7,543	77,662	79	88,028
Other loans and receivables – customers		9	7,209	36	7,254
Other	1,553	6,277	16,552	62,400	86,783
Total assets	**157,618**	**22,917**	**133,090**	**99,662**	**413,287**
Liabilities					
Financial liabilities held for trading			2,940		2,940
Derivatives		103	16,888	7,633	24,624
Securities financing		67	2,243	23,591	25,901
Demand deposits	22,861	41,079	51,695	321	115,956
Saving deposits	71,023	19,120	4,090		94,233
Time deposits	5,112	6,466	4,557	2,048	18,183
Other due to customers			156		156
Other	58,622	-43,917	50,521	48,974	114,200
Total liabilities	**157,618**	**22,917**	**133,090**	**82,568**	**396,193**

(in millions)	Retail Banking	Private Banking	Corporate Banking	Group Functions	31 December 2014 Total
Assets					
Financial assets held for trading			9,115	-98	9,017
Derivatives		90	20,543	4,652	25,285
Securities financing		8	3,981	14,522	18,511
Residential mortgages	144,424	3,426	14	4,134	151,998
Consumer loans	8,795	5,830	773		15,398
Corporate loans	2,758	7,460	77,625	22	87,866
Other loans and receivables – customers		9	6,630	9	6,648
Other	1,638	6,112	14,897	49,498	72,145
Total assets	**157,614**	**22,935**	**133,579**	**72,739**	**386,867**
Liabilities					
Financial liabilities held for trading			3,759		3,759
Derivatives		70	20,493	9,886	30,449
Securities financing		16	1,302	12,600	13,918
Demand deposits	22,619	38,338	48,479	317	109,753
Saving deposits	68,638	17,957	2,060		88,655
Time deposits	4,658	6,606	4,057	2,137	17,459
Other due to customers			144		144
Other	61,699	-40,053	53,285	32,922	107,854
Total liabilities	**157,614**	**22,935**	**133,579**	**57,862**	**371,990**

3 Overview of financial assets and liabilities by measurement base

(in millions)	Amortised cost	Fair value through profit or loss	Available for sale financial assets	30 September 2015 Total
Financial assets				
Cash and balances at central banks	20,738			20,738
Financial assets held for trading		8,592		8,592
Derivatives		20,695		20,695
Financial investments		802	39,610	40,412
Securities financing	35,475			35,475
Loans and receivables – Banks	17,794			17,794
Loans and receivables – Customers	261,742			261,742
Other assets		2,351		2,351
Total financial assets	**335,748**	**32,440**	**39,610**	**407,799**
Financial Liabilities				
Financial liabilities held for trading		2,940		2,940
Derivatives		24,624		24,624
Securities financing	25,901			25,901
Due to banks	18,487			18,487
Due to customers	228,529			228,529
Issued debt	77,376	1,749		79,126
Subordinated liabilities	9,660			9,660
Other liabilities		2,351		2,351
Total financial liabilities	**359,954**	**31,664**		**391,617**

				31 December 2014
(in millions)	Amortised cost	Fair value through profit or loss	Available for sale financial assets	Total
Financial assets				
Cash and balances at central banks	706			706
Financial assets held for trading		9,017		9,017
Derivatives		25,285		25,285
Financial investments		589	40,877	41,466
Securities financing	18,511			18,511
Loans and receivables – Banks	21,680			21,680
Loans and receivables – Customers	261,910			261,910
Other assets		2,453		2,453
Total financial assets	**302,807**	**37,343**	**40,877**	**381,028**
Financial Liabilities				
Financial liabilities held for trading		3,759		3,759
Derivatives		30,449		30,449
Securities financing	13,918			13,918
Due to banks	15,744			15,744
Due to customers	216,011			216,011
Issued debt	75,150	1,981		77,131
Subordinated liabilities	8,328			8,328
Other liabilities		2,453		2,453
Total financial liabilities	**329,150**	**38,642**		**367,791**

4 Operating income

(in millions)	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Net interest income	1,524	1,530	4,580	4,403
Net fee and commission income	449	419	1,375	1,260
Net trading income	48	33	103	142
Share of result in equity accounted investments	2	18	14	47
Other income	86	9	332	57
Total operating income	**2,109**	**2,009**	**6,403**	**5,910**

Third-quarter 2015 Operating income

Net interest income decreased by EUR 6 million to EUR 1,524 million in the third quarter of 2015 compared with the third quarter of 2014. Margins on the mortgage book improved due to the continued gradual re-pricing at higher margins, in particular mortgages that originated pre-crisis. The impact of re-pricing of the mortgage book in recent years continues to contribute to higher NII levels. This was partially offset by lower average mortgage loan volumes.

The average corporate loan volume grew compared with Q3 2014, mainly at International Clients. The increase was driven chiefly by volume growth in the ECT Clients loan portfolio (including currency developments). Average corporate loan volumes in Commercial Clients showed a limited decline. The margins on corporate loans were slightly higher than in Q3 2014.

These developments were, however, offset by several negative one-offs in Q3 2015 compared with Q3 2014.

Net fees and commissions improved to EUR 449 million in Q3 2015, up by EUR 30 million compared with Q3 2014. The increase was primarily recorded in Corporate Banking (Clearing) and, to a lesser extent, Private Banking.

Net trading income increased by EUR 15 million in Q3 2015 compared with Q3 2014 due to less negative CVA/DVA/FVA results (EUR 18 million negative in Q3 2015 versus EUR 35 million negative in Q3 2014).

Share of results decreased by EUR 16 million comparing Q3 2015 with Q3 2014. This can largely be attributed to the lower results at our insurance joint venture.

Other income improved to EUR 86 million in Q3 2015 compared with EUR 9 million in Q3 2014. This increase was mainly related to favourable hedge accounting-related results at Group Functions as a result of interest rate developments and economic hedge gains. In addition, other income was positively impacted by unrealised gains on Private Investment Products, favourable revaluation results and divestments at Equity Participations on the back of improved market conditions.

Operating income for the first nine months of 2015

Net interest income rose by EUR 177 million to EUR 4,580 million in the first nine months of 2015. The increase was primarily driven by improved margins on loans (mainly mortgages and, to a lesser extent, corporate loans) and higher average corporate loan volumes. In addition, lower funding costs due to lower credit spreads were partly offset by higher funding volumes and several non-recurring interest provisions in the first nine months of 2015.

Net fee and commission income, at EUR 1,375 million in the first nine months of 2015, was EUR 115 million higher than in the first nine months of 2014. The increase was primarily recorded in Private Banking, due to a favourable stock market performance in the first half of 2015, and in Corporate Banking on higher transaction volumes in Clearing.

Total net trading income decreased by EUR 39 million to EUR 103 million in the first nine months of 2015 compared with the same period of the previous year. This decline was due to our one-off tax-exempt provision in Group Functions related to the part of the Securities Financing activities discontinued in 2009 and a one-off provision in Corporate Banking for an identified group of SMEs with possible interest rate derivative-related issues. This was partially offset by the favourable effect of CVA/DVA/FVA results (EUR 56 million positive in the first nine months of 2015 versus EUR 46 million negative in the first nine months of 2014).

Other income rose to EUR 332 million for the first nine months of 2015, up by EUR 275 million compared with the same period of the previous year. This increase was due to favourable hedge accounting-related results at Group Functions as a result of interest rate developments and economic hedge gains. In addition, Other Income was positively impacted by gains on Private Investment Products and higher revaluation and divestment results at Equity Participations on the back of improved market conditions.

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

5 Operating expenses

(in millions)	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Personnel expenses	619	591	1,852	2,035
General and administrative expenses	571	584	1,719	1,784
Depreciation and amortisation of tangible and intangible assets	44	40	128	122
Total operating expenses	**1,234**	**1,214**	**3,700**	**3,941**

Third quarter 2015 Operating expense

Personnel expenses amounted to EUR 619 million in Q3 2015, up by EUR 28 million compared with Q3 2014. More details are provided under Personnel expenses.

General and administrative expenses decreased by EUR 13 million in Q3 2015 compared with Q3 2014 as a result of a EUR 55 million settlement with Vestia, which was more than offset by a considerable VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014. Higher project costs related to enhancing client centricity and continuous improvements of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes) were higher compared with Q3 2014.

Operating expense for the first nine months of 2015

Total operating expenses decreased by EUR 241 million to EUR 3,700 million during the first nine months of 2015 compared with the same period of 2014, driven by lower Personnel expenses (EUR 183 million) and lower General and administrative expenses (EUR 65 million).

Personnel expenses came down by EUR 183 million in the first nine months of 2015 compared with the same period of the previous year. More details are provided under Personnel expenses.

General and administrative expenses decreased by EUR 65 million in the first nine months 2015 compared with the first nine months in 2014. This decline was due mainly to a VAT refund which was the result of discussions with the tax authorities related to the period 2007-2014 and the SNS levy recorded in 2014 (EUR 201 million). The decrease was partially offset by higher project costs related to enhancing client centricity and continuous improvements of products, services and IT processes (including TOPS2020 and Retail Digitalisation programmes) and a settlement with Vestia (EUR 55 million).

Personnel expenses

(in millions)	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Salaries and wages	433	416	1,290	1,242
Social security charges	62	60	180	182
Pension expenses relating to defined benefit plans	-7	18	5	402
Defined contribution plan expenses	89	68	245	98
Other	43	29	132	110
Total personnel expenses	**619**	**591**	**1,852**	**2,035**

Third-quarter 2015 Personnel expenses

Personnel expenses amounted to EUR 619 million in Q3 2015, an increase of EUR 28 million compared with Q3 2014. The third quarter of 2015 was impacted by EUR 18 million higher pension expenses within the defined contribution plan, driven by lower discount rates. In addition, a restructuring provision was recorded related to the announced integration of the Jersey activities into ABN AMRO Guernsey. The same period in 2014 included an additional charge related to the change from the defined benefit plan.

Personnel expenses for the first nine months

Personnel expenses amounted to EUR 1,852 million in the first nine months of 2015, EUR 183 million lower compared with the same period of the previous year. The decrease was mainly due a settlement of the Dutch defined benefit plan replaced by a collective defined contribution plan last year (EUR 288 million). This decline was partly offset by higher pension expenses as a result of lower discount rates and reorganisation provisions at Corporate Banking and Private Banking.

6 Income tax expense

(in millions)	Q3 2015	Q3 2014	Nine months 2015	Nine months 2014
Income tax expense	272	125	670	317

Income tax expense increased by EUR 147 million in Q3 2015, up to EUR 272 million, comparing with Q3 2014. This was mainly the result of a higher operating profit and an increase in the effective tax rate. The effective tax rate of 35% in Q3 2015 was negatively impacted by our reassessment of our tax position.

Income tax expense amounted to EUR 670 million in the first 9 months of 2015, up EUR 353 million compared with the same period of the previous year. This was mainly the result of a higher operating profit and an increase in the effective tax rate. The effective tax rate in the first nine months of 2015, at 29%, was negatively impacted by our reassessment of our tax position and a tax-exempt non-recurring provision related to the part of the Securities Financing activities discontinued in 2009.

7 Financial assets and liabilities held for trading

Financial assets held for trading

Financial assets and liabilities held for trading relates mainly to client-facilitating activities carried out by the Capital Markets Solutions business. These contracts are managed on a combined basis and should therefore be assessed on a total portfolio basis and not as stand-alone assets and liability classes.

(in millions)	30 September 2015	31 December 2014
Trading securities:		
Government bonds	6,229	2,326
Corporate debt securities	1,494	924
Equity securities	52	4,946
Total trading securities	**7,775**	**8,196**
Trading book loans	817	821
Total assets held for trading	**8,592**	**9,017**

Financial assets held for trading amounted to EUR 8.6 billion as at 30 September 2015, down by EUR 0.4 billion, or 5%, compared with EUR 9.0 billion at 31 December 2014. This decrease was mainly due to the discontinuation of the equity derivatives activities (EUR 4.9 billion), which was largely offset by higher positions in government bonds (EUR 3.9 billion).

The increase was mainly related to ABN AMRO's primary dealership for Government bonds. Most of these contracts were hedged with short government bond positions (see also increase in government bonds in Financial liabilities held for trading).

The increase in Corporate debt securities was mainly related to primary dealership in the European Stability Mechanism.

As a result of the wind-down of activities resulting from the strategic review of Capital Markets Solutions, significant equity security portfolios were sold (EUR 4.9 billion). The main portfolios sold were FTSE equities (EUR 2.1 billion), equities relating to the EURO STOXX 50 index derivatives basket (EUR 1.2 billion) and equities relating to the closure of the equity derivatives desk in the US (EUR 1.0 billion).

Financial liabilities held for trading

(in millions)	30 September 2015	31 December 2014
Bonds	2,835	1,710
Equity securities	47	2,016
Total short security positions	**2,882**	**3,725**
Other liabilities held for trading	58	34
Total liabilities held for trading	**2,940**	**3,759**

Financial liabilities held for trading amounted to EUR 2.9 billion at 30 September 2015, a decrease of EUR 0.8 billion or 22% compared with EUR 3.8 billion at 31 December 2014. This decline was mainly due to the wind-down of the equity derivatives portfolio in the US (EUR 2.0 billion) resulting from the strategic review of Capital Markets Solutions.

The increase in short positions in Bonds (EUR 1.1 billion) was mainly related to Dutch, German and French Government bonds.

8 Derivatives

Derivatives comprise derivatives held for trading and derivatives held for risk management purposes. Derivatives held for trading are closely related to facilitating the needs of our clients. Derivatives held for risk management purposes include all derivatives that qualify for hedge accounting and derivatives included in an economic hedge.

Derivatives comprise the following:

										30 September 2015
	Derivatives held for trading			Economic hedges			Hedge accounting			Total derivatives
(in millions)	Interest rate	Currency	Other	Interest rate	Currency	Other	Interest rate	Currency	Other	
Exchange traded										
Fair value assets	7		16			1				24
Fair value liabilities	6		23			1				31
Notionals	402	12	202			1,642				2,258
Over-the-counter										
Central counterparties										
Fair value assets										
Fair value liabilities										
Notionals	641,825			100			65,315			707,240
Other bilateral										
Fair value assets	13,327	2,047	317	273	444	25	3,626	611		20,671
Fair value liabilities	12,106	2,274	308	174	815	41	8,848	26		24,593
Notionals	206,762	226,558	2,409	3,267	22,598	1,754	78,322	1,475		543,145
Total										
Fair value assets	13,334	2,047	334	273	444	26	3,626	611		20,695
Fair value liabilities	12,112	2,274	331	174	815	43	8,848	26		24,624
Notionals	848,988	226,570	2,611	3,367	22,598	3,396	143,636	1,475		1,252,643

										31 December 2014
	Derivatives held for trading			Economic hedges			Hedge accounting			Total derivatives
(in millions)	Interest rate	Currency	Other	Interest rate	Currency	Other	Interest rate	Currency	Other	
Exchange traded										
Fair value assets	13		2			21				36
Fair value liabilities	14		5			10				30
Notionals	163	8	205			2,396				2,773
Over-the-counter										
Central counterparties										
Fair value assets										
Fair value liabilities										
Notionals	544,841						40,372			585,213
Other bilateral										
Fair value assets	15,998	3,346	370	254	215	23	4,591	452		25,249
Fair value liabilities	14,383	3,456	344	191	469	18	11,543	15		30,419
Notionals	213,089	163,334	8,719	3,853	27,794	116	93,890	1,399		512,193
Total										
Fair value assets	16,011	3,346	373	254	215	43	4,591	452		25,285
Fair value liabilities	14,398	3,457	348	191	469	28	11,543	15		30,449
Notionals	758,093	163,342	8,923	3,853	27,794	2,512	134,262	1,399		1,100,179

Over-the-counter derivatives that are cleared with central counterparties are offset on the Statement of Financial Position because they are settled (intra) daily on a net basis.

The notional amount of the interest derivatives held for trading as at 30 September 2015 amounted to EUR 849 billion, an increase of EUR 91.8 billion, or 12%, compared with EUR 758 billion at 31 December 2014. This increase was mainly due to higher client activity. As at 30 September 2015, the fair value of this interest rate derivative was lower, mainly due to the increase in long-term interest rates compared with year-end 2014.

The notional amount of currency derivatives held for trading as at 30 September 2015 amounted to EUR 226.5 billion, an increase of EUR 63.2 billion, or 38.7%, compared with EUR 163.3 billion at 31 December 2014. This increase was mainly due to the growth in client activity caused by increased volatility of the foreign exchange market compared with year-end 2014.

The total notional amount of Derivatives held for trading – other as at 30 September 2015 amounted to EUR 2.6 billion, a decrease of EUR 6.3 billion, or 71%, compared with EUR 8.9 billion at 31 December 2014. This decrease was mainly due to the wind-down of the equity derivatives portfolio resulting from the strategic review of Capital Markets Solutions.

9 Financial investments

Financial investments break down as follows:

(in millions)	30 September 2015	31 December 2014
Financial investments:		
Available-for-sale	39,633	40,898
Held at fair value through profit or loss	802	589
Total, gross	**40,435**	**41,487**
Less: Available-for-sale impairment allowance	23	21
Total financial investments	**40,412**	**41,466**

Financial investments amounted to EUR 40.4 billion at 30 September 2015, a decrease of EUR 1.1 billion or 3% compared with EUR 41.5 billion at 31 December 2014. This decrease was mainly caused by redemptions and sales of Mortgage- and other asset-backed securities (EUR 0.8 billion).

An amount of EUR 0.3 billion in venture capital investments was reclassified from Equity accounted associates to Financial investments in 2015. Since initial recognition, these investments are accounted for at fair value through profit or loss by use of the venture capital exemption for investments that otherwise would be classified as associates.

Financial investments available-for-sale

The fair value of financial investments available-for-sale including gross unrealised gains and losses is as follows:

(in millions)	30 September 2015	31 December 2014
Interest-earning securities:		
Dutch government	6,440	6,884
US Treasury and US government	2,645	1,939
Other OECD government	20,691	20,779
Non OECD government	313	471
European Union	1,491	1,494
Mortgage- and other asset-backed securities	2,441	3,243
Financial institutions	5,337	5,824
Non financial institutions	28	37
Subtotal	**39,386**	**40,670**
Equity instruments	247	228
Total investment available-for-sale	**39,633**	**40,898**

Most of these instruments are part of the liquidity buffer and are held for liquidity contingency purposes. More information on the liquidity buffer composition can be found in the Funding section of the Quarterly Report for the third quarter of 2015.

10 Securities financing

	30 September 2015		31 December 2014	
(in millions)	Banks	Customers	Banks	Customers
Assets				
Reverse repurchase agreements	5,382	14,327	936	6,518
Securities borrowing transactions	4,279	7,748	3,363	6,116
Unsettled securities transactions	1,571	2,167	163	1,415
Total	**11,233**	**24,242**	**4,462**	**14,049**
Liabilities				
Repurchase agreements	1,844	18,439	1,736	7,457
Securities lending transactions	1,419	2,500	672	2,779
Unsettled securities transactions	535	1,165	256	1,018
Total	**3,798**	**22,103**	**2,663**	**11,254**

Securities financing consists of securities borrowing and lending and sale and repurchase transactions. ABN AMRO controls credit risk associated with these activities by monitoring counterparty credit exposure and collateral values on a daily basis and requiring additional collateral to be deposited with or returned when deemed necessary.

11 Fair value of financial instruments

Fair value is defined as the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date.

The internal controls of fair value measurement, the valuation techniques and the inputs used for these valuation techniques are consistent with those set out in the notes to ABN AMRO's 2014 Consolidated Annual Financial Statements.

Fair value hierarchy

ABN AMRO analyses financial instruments held at fair value, broken down into the three categories from the fair value hierarchy as described below.

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

The following table presents the valuation methods used in determining the fair values of financial instruments carried at fair value.

(in millions)	Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs	Total fair value
				30 September 2015
Assets				
Financial assets held for trading	7,775	817		8,592
- of which Government bonds and Corporate debt securities	7,723			7,723
- of which Equity securities	52			52
- of which Other financial assets held for trading		817		817
Derivatives held for trading	23	15,624	67	15,715
Derivatives not held for trading	1	4,932	48	4,980
Available-for-sale interest earning securities	35,967	2,126	1,293	39,386
Available-for-sale equities	97	46	81	224
Financial investments designated at fair value through profit or loss	206		596	802
Unit-linked investments	1,621	730		2,351
Total financial assets	**45,691**	**24,274**	**2,085**	**72,050**
Liabilities				
Financial liabilities held for trading	2,882	58		2,940
- of which Bonds	2,835			2,835
- of which Equity securities	47			47
- of which Other financial liabilities held for trading		58		58
Derivatives held for trading	30	14,688		14,718
Derivatives not held for trading	29	9,830	47	9,906
Issued debt		1,749		1,749
Unit-linked for policyholders	1,621	730		2,351
Total financial liabilities	**4,562**	**27,055**	**47**	**31,664**

Financial assets and liabilities held for trading valued by quoted market prices in active markets consisted mainly of equity securities, exchange traded derivatives and corporate debt securities (see note 7 Financial assets and liabilities held for trading). Financial assets and liabilities held for trading where valuation techniques based on observable inputs have been used mainly comprise OTC derivatives.

(in millions)	Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs	31 December 2014 Total fair value
Assets				
Financial assets held for trading	8,196	821		9,017
- of which Government bonds and Corporate debt securities	3,250			3,250
- of which Equity securities	4,946			4,946
- of which Other financial assets held for trading		821		821
Derivatives held for trading	15	19,715		19,730
Derivatives not held for trading	21	5,469	66	5,555
Available-for-sale interest earning securities	35,909	3,173	1,588	40,670
Available-for-sale equities	107	20	80	207
Financial investments designated at fair value through profit or loss	315	2	271	589
Unit-linked investments	1,711	741		2,453
Total financial assets	**46,275**	**29,941**	**2,005**	**78,221**
Liabilities				
Financial liabilities held for trading	3,725	34		3,759
- of which Bonds	1,710			1,710
- of which Equity securities	2,016			2,016
- of which Other financial liabilities held for trading		34		34
Derivatives held for trading	20	18,183		18,203
Derivatives not held for trading	10	12,171	64	12,246
Issued debt		1,981		1,981
Unit-linked for policyholders	1,711	741		2,453
Total financial liabilities	**5,467**	**33,111**	**64**	**38,642**

An explanation of the movements in the different assets and liabilities categories is provided in the designated notes.

ABN AMRO recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

Transfers between levels 1 and 2

There were no material transfers between levels 1 and 2.

Transfers from levels 1 and 2 into level 3

In 2015, EUR 86 million in OTC derivatives (Derivatives held for trading) were transferred from level 2 to level 3 (see the following table). This transfer took place because one of the unobservable inputs to the fair value measurement became significant.

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets that are recorded at fair value.

				Assets	Liabilities
(in millions)	Financial investments available for sale	Financial investments designated at fair value through profit or loss	Derivatives held for trading	Derivatives not held for trading	Derivatives not held for trading
Balance at 1 January 2014	**1,125**	**121**		**75**	**73**
Purchases	5	174			
Sales		-20			
Redemptions	-116				
Gains/(losses) recorded in profit and loss[1]		1			
Unrealised gains/(losses)	6	-6		-9	-9
Other movements[1]	648	2			
Balance at 31 December 2014	**1,668**	**271**		**66**	**64**
Purchases	3	45			
Sales	-73	-49	-9		
Redemptions	-210	-26			
Gains/(losses) recorded in profit and loss[1]	-2	10			
Unrealised gains/(losses)	-18	47	-10	-18	-17
Transfer between levels	7		86		
Other movements[2]	-2	298			
Balance at 30 September 2015	**1,374**	**596**	**67**	**48**	**47**

1 During 2014 the interest earning securities were reassessed and consequently an amount of EUR 648 million was transferred from level 2 to level 3.
2 In 2015 an amount of EUR 280 million investments in venture capital was reclassified from Equity accounted associates to Financial investments.

Level 3 sensitivity information

The following tables present the level 3 financial instruments carried at fair value as at the balance sheet date for which fair value is measured in full or in part using valuation techniques based on assumptions that are not supported by market observable inputs.

There may be uncertainty about a valuation resulting from the choice of the valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique or model. At 30 September 2015 and 31 December 2014, ABN AMRO performed a sensitivity analysis to assess the range of reasonably possible alternative assumptions that would have a significant impact (i.e. increase or decrease) on the fair value of the instrument.

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

(in millions)	Valuation technique	Unobservable data	Carrying value	Minimum range	Maximum range	Weighted average	Reasonably possible alternative assumptions: Increase in fair value	Reasonably possible alternative assumptions: Decrease in fair value
30 September 2015								
Equity shares	Private equity-valuation	EBITDA multiples	53	5.0	9.8	6.5	18	-18
Equity shares	Private equity-valuation	Net asset value	624					
Interest earning securities – Government bonds	Discounted cash flow	Liquidity and credit spread	396	72 bps	129 bps	110 bps	20	-10
Interest earning securities – other	Discounted cash flow	Prepayment rate	897	8.0%	10.0%	8.8%	7	-10
Derivatives held for trading	Discounted cash flow	Probability of default	67	6.0%	100.0%	36.2%	5	-19
Derivatives not held for trading – assets/liabilities (net)	Discounted cash flow	Prepayment rate	1	8.0%	10.0%	8.8%		
31 December 2014								
Equity shares	Private equity-valuation	EBITDA multiples	65	5.0	9.8	7.0	20	-20
Equity shares	Private equity-valuation	Net asset value	286					
Interest earning securities – Government bonds	Discounted cash flow	Liquidity and credit spread	410	77 bps	145 bps	111 bps	17	-17
Interest earning securities – other	Discounted cash flow	Prepayment rate	1,178	0.0%	10.0%	8.0%	52	-9
Derivatives not held for trading – assets/liabilities (net)	Discounted cash flow	Prepayment rate	2	0.0%	10.0%	8.0%		

Equity shares

Equities designated at fair value through profit and loss classified as level 3 mainly comprise private equity investments.

Private equity shares are designated at fair value, for which two calculation techniques apply:

- Using comparable pricing in accordance with the European Private Equity and Venture Capitalist Association (EVCA) guidelines. This valuation technique is based on earnings multiples of comparable listed and unlisted companies.
  The fair value calculation of an investment is strongly linked with movements on the public (share) markets;
- Net Asset Value (NAV) for Fund Investments and majority stakes. This is determined by using audited and unaudited company financial statements and any other information available, public or otherwise. As a consequence, the net asset value calculation of an investment is strongly linked with movements in the quarterly performance of the company. No other quantitative information (e.g. future cash flow information) is available and is therefore not included.

New investments are valued at cost for the first year of investment. Thereafter, the fair value technique, either EVCA technique or NAV calculation, will be applied for direct investments.

The sensitivity for using comparable pricing is determined by stressing the earnings multiples in a positive and negative market scenario, whereas sensitivity testing for the NAV calculation based upon the quarterly performance cannot be applied.

Interest earning securities

Government bonds

ABN AMRO has a position in a Polish bond, denominated in euros (in note 9 Financial investments part of Other OECD government), for which the market is relatively illiquid. The bond is valued using a discounted cash flow model. The main inputs are the interest rate curve, liquidity spread and credit spread. The valuation spread is determined using an internal model. The sensitivity analysis is performed by using a range of reasonable valuation spreads.

Other

The debt securities consist of non-listed residential mortgage-backed securities (RMBS). These are structured in such a way that prepayments on the underlying mortgage portfolio are used to repay the holder of the A-note. The fair value is determined using a discounted cash flow model based on inputs such as the interest rate curve, discount spread and prepayment rate. The prepayment rate is identified as a significant unobservable input. The sensitivity analysis is performed by stressing this rate.

Preferred shares are shares for which the dividend is fixed for a period of 10 years, after which the dividend is redetermined and the shares can also be redeemed. The position is valued using a discounted cash flow model for which the relevant inputs are the interest curve, liquidity spread and credit spread. The liquidity spread and credit spread are unobservable inputs and are derived from similar securities. The sensitivity of the preferred shares is determined by using a range of reasonable spreads and by considering the call option that is held by the issuer.

Derivatives

Securitisation swaps linked to the RMBS transactions are valued using a discounted cash flow model for which the behaviour of the underlying mortgage portfolio is also relevant. Inputs used to determine fair value are the interest rate curve and prepayment rate. The latter is the significant unobservable input that classifies these instruments as level 3. The sensitivity analysis is performed by stressing the prepayment rate.

Interest rate swaps related to RMBS transactions are valued based on assumptions about the behaviour of the underlying mortgage portfolio and the characteristics of the transaction. Cash flows are forecast and discounted using appropriate forward and discount curves.

A credit valuation adjustment (CVA) reflects counterparty credit risk in the fair value measurement of uncollateralised and partially collateralised OTC derivatives. For counterparties that do not have an observable credit spread ABN AMRO applies a proxied credit spread extracted from counterparties of comparable credit quality that do have an observable credit spread. ABN AMRO performs a probability of default assessment for each counterparty and allocates an appropriate internal credit risk measure known as a Uniform Counterparty Rating (UCR). This UCR, which is significant to the entire fair value measurement of the derivative contracts included in the previously shown table of Level 3 sensitivity information, is internally generated and is therefore an unobservable input.

Financial assets and liabilities not carried at fair value

The methods and assumptions applied to estimate the fair values of financial instruments not carried at fair value are consistent with those set out in note 20 of the Consolidated Annual Financial Statements 2014.

						30 September 2015
	Carrying value				Total fair value	Difference
(in millions)		Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs		
Assets						
Cash and balances at central banks	20,738		20,738		20,738	
Securities financing	35,475		35,475		35,475	
Loans and receivables – banks	17,794			17,794	17,794	
Loans and receivables – customers	261,742		1,571	269,183	270,754	9,012
Total	**335,748**		**57,784**	**286,977**	**344,761**	**9,012**
Liabilities						
Securities financing	25,901		25,901		25,901	
Due to banks	18,487			18,487	18,487	
Due to customers	228,529			228,529	228,529	
Issued debt	77,376	32,513	45,719		78,233	-856
Subordinated liabilities	9,660	5,180	4,685		9,865	-205
Total	**359,954**	**37,694**	**76,305**	**247,015**	**361,014**	**-1,061**

						31 December 2014
	Carrying value				Total fair value	Difference
(in millions)		Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs		
Assets						
Cash and balances at central banks	706		706		706	
Securities financing	18,511		18,511		18,511	
Loans and receivables – banks	21,680			21,680	21,680	
Loans and receivables – customers	261,910		2,346	266,819	269,164	7,254
Total	**302,807**		**21,563**	**288,499**	**310,062**	**7,254**
Liabilities						
Securities financing	13,918		13,918		13,918	
Due to banks	15,744			15,744	15,744	
Due to customers	216,011			216,011	216,011	
Issued debt	75,150	18,632	57,961		76,593	-1,443
Subordinated liabilities	8,328	6,588	2,232		8,820	-493
Total	**329,150**	**25,220**	**74,111**	**231,754**	**331,085**	**-1,935**

12 Loans and receivables - banks

(in millions)	30 September 2015	31 December 2014
Interest-bearing deposits	6,197	3,560
Loans and advances	8,709	11,382
Mandatory reserve deposits with central banks	250	6,724
Other	2,640	15
Subtotal	**17,796**	**21,680**
Less: loan impairment allowance	3	
Loans and receivables - banks	**17,794**	**21,680**

Interest-bearing deposits increased by EUR 2.6 billion to EUR 6.2 billion at 30 September 2015 mainly due to higher outstanding balances held by international financial institutions.

Loans and advances decreased by EUR 2.7 billion to EUR 8.7 billion at 30 September 2015 mainly due to lower pledged cash collateral related to derivatives contracts.

Mandatory reserve deposits with central banks decreased by EUR 6.5 billion to EUR 0.3 billion at 30 September 2015.

Other Loans and receivables – banks increased by EUR 2.6 billion mainly due to a reclassification of trade bills.

13 Loans and receivables - customers

(in millions)	30 September 2015	31 December 2014
Residential mortgages (excluding fair value adjustment)	148,535	148,402
Fair value adjustment from hedge accounting on residential mortgages	3,509	4,134
Residential mortgages, gross	**152,044**	**152,536**
Less: loan impairment allowances – residential mortgage loans	374	538
Residential mortgages	**151,670**	**151,998**
Consumer loans, gross	15,409	16,052
Less: loan impairment allowances – consumer loans	620	654
Consumer loans	**14,790**	**15,398**
Corporate loans	84,618	84,694
Fair value adjustment from hedge accounting on corporate loans	1,519	1,605
Financial lease receivables	3,505	3,357
Factoring	1,916	1,648
Corporate loans, gross	**91,557**	**91,305**
Less: loan impairment allowances – corporate loans	3,530	3,439
Corporate loans	**88,028**	**87,866**
Government and official institutions	1,487	1,971
Other loans	5,768	4,806
Other loans and receivables customers, gross	**7,255**	**6,777**
Less: loan impairment allowances - other	1	129
Other loans and receivables customers	**7,254**	**6,648**
Loans and receivables - customers	**261,742**	**261,910**

Residential mortgages (excluding fair value adjustment) was relatively stable at EUR 148.5 billion. A higher inflow of new Residential mortgages (EUR 9.1 billion), reflecting the improvement of the housing market in the Netherlands, was offset by higher Residential mortgages redemptions and voluntary repayments.

Corporate loans were flat at EUR 88.0 billion. Taking into account a reclassification of the trade bills to Loans and receivables – banks, the increase was EUR 2.5 billion, mainly in term loans.

Other loans and receivable – customers increased by EUR 0.6 billion to EUR 7.3 billion.

Information on loan impairments is provided in the Credit risk section of the Quarterly Report for the third quarter of 2015.

14 Acquisitions and divestments

	Nine months 2015		Nine months 2014	
(in millions)	Acquisitions	Divestments	Acquisitions	Divestments
Net assets acquired/Net assets divested	**23**	**-103**	98	-58
Cash used for acquisitions/received for divestments	**-23**	**132**	**-98**	**74**

The acquisitions and divestments made in the first nine months of 2015 were related to equity accounted investments. As from Q3 2015, ABN AMRO no longer has an associate interest in RFS Holdings B.V. as the underlying assets and liabilities have been transferred.

15 Due to banks

This item is comprised of amounts due to banking institutions, including central banks and multilateral developments banks.

(in millions)	30 September 2015	31 December 2014
Deposits from banks:		
Demand deposits	4,746	3,024
Time deposits	2,931	3,399
Other deposits	10,756	9,276
Total deposits	**18,433**	**15,699**
Other Due to banks	54	45
Total Due to banks	**18,487**	**15,744**

Demand deposits increased by EUR 1.7 billion to EUR 4.8 billion mainly due to overnight positions with international credit institutions.

The increase in Other deposits of EUR 1.5 billion to EUR 10.8 billion was mainly driven by higher outstanding balances with international central banks.

16 Due to customers

This item is comprised of amounts due to non-banking customers.

(in millions)	30 September 2015	31 December 2014
Demand deposits	115,956	109,753
Saving deposits	94,233	88,655
Time deposits	18,183	17,459
Total deposits	**228,372**	**215,867**
Other due to customers	156	144
Total due to customers	**228,529**	**216,011**

Due to customers rose by EUR 12.5 billion to EUR 228.5 billion at 30 September 2015, mainly as a result of an increase in Demand deposits (EUR 6.2 billion) and Saving deposits (EUR 5.6 billion).

Demand deposits increased by EUR 6.2 billion to EUR 116.0 billion, mainly due to higher outstanding of current accounts held by large corporates (EUR 3.2 billion) and private enterprises (EUR 2.7 billion).

Saving deposits increased by EUR 5.6 billion to EUR 94.2 billion, driven mainly by higher volume within Commercial Clients and Retail Banking. The increase in Retail Banking includes a growth in deposits at MoneYou outside the Netherlands.

Time deposits increased by EUR 0.7 billion to EUR 18.1 billion, mainly because of the higher outstanding deposits held by insurers and other financial institutions within Corporates.

17 Issued debt and subordinated liabilities

The following table shows the types of debt certificates issued by ABN AMRO and the amounts outstanding as at 30 September 2015 and 31 December 2014 respectively.

(in millions)	30 September 2015	31 December 2014
Bonds and notes issued	65,604	66,349
Certificates of deposit and commercial paper	11,714	8,729
Saving certificates	59	72
Total at amortised cost	**77,376**	**75,150**
Designated at fair value through profit or loss	1,749	1,981
Total issued debt	**79,126**	**77,131**
- of which matures within one year	22,908	20,347

The Issued debt as at 30 September 2015 amounted to EUR 79.1 billion, up EUR 2.0 billion or 3% compared with EUR 77.1 billion at 31 December 2014. This growth was due to the increase of EUR 3.0 billion in Certificates of deposit and Commercial paper and mainly due to the increase of EUR 3.1 billion in Unsecured medium-term notes, offset by 3.4 billion in externally RMBS notes which were called. The development of these debt instruments is a continuous process of redemption and issuance of long-term and short-term funding.

The amounts of issued debt issued and redeemed during the period are shown in the Condensed consolidated statement of cash flows.

Introduction
Financial results
Risk, funding & capital information
Interim Financial Statements 2015
Other

Further details on the funding programmes are provided in the Liquidity risk and Funding sections in the Quarterly Report of the third quarter of 2015.

Financial liabilities designated at fair value through profit or loss

The cumulative change of the fair value of the structured notes attributable to change in credit risk amounted to EUR 7 million (31 December 2014: EUR 13 million).

The following table specifies the issued and outstanding subordinated liabilities.

(in millions)	30 September 2015	31 December 2014
Perpetual loans	1,251	1,285
Other subordinated liabilities	8,409	7,043
Total subordinated liabilities	**9,660**	**8,328**

Subordinated liabilities at 30 September 2015 amounted to EUR 9.7 billion, up EUR 1.3 billion or 16.0% compared with EUR 8.3 billion at 31 December 2014. This increase was driven mainly a EUR 1.5 billion newly issued subordinated loan at 2.875%. The maturity date of this loan is June 2025, with a possible call in June 2020. Furthermore, a new USD 1.5 billion 4.75% subordinated loan was issued. The maturity date of this loan is July 2025. Finally, in Q3 ABN AMRO decided to call a EUR 1.65 billion Tier 2 loan which was provided by the Dutch State Treasury Agency.

Issued and outstanding loans qualifying as subordinated liabilities are subordinated to all other unsubordinated liabilities.

18 Provisions

The following table shows a breakdown of provisions at 30 September 2015 and 31 December 2014 respectively.

(in millions)	30 September 2015	31 December 2014
Insurance fund liabilities	148	183
Provision for pension commitments	97	91
Restructuring	193	233
Other staff provision	173	182
Other	537	314
Total provisions	**1,148**	**1,003**

Total provisions increased by EUR 145 million to EUR 1,148 million at 30 September 2015 compared with EUR 1,003 million at 31 December 2014. This increase was mainly related to Other, partly offset by utilisation of existing provisions.

The increase in Other was due mainly to the recording of a tax provision, a provision for interest rate derivatives for small and medium-sized enterprises (SME) clients and a provision for mortgage administration inconsistencies.

During the first nine months of 2015, ABN AMRO considered several developments around the tax treatment related to the discontinued part of the Securities Financing activities in 2009. It was concluded that changes to the level of provisioning were required.

Provision for Interest rate derivatives to SME clients

The bank has entered into interest rate derivatives with its SME clients in combination with floating interest rate loans. The bank has around 350,000 SME clients, of which around 4,500 have entered into one or more interest rate derivative transactions. The bank's portfolio consists of around 6,000 interest rate derivatives transactions with SMEs, primarily consisting of interest rate swaps and interest rate caps. The SME clients with a floating interest rate loan entered into an interest rate derivative with the purpose of fixing their interest rate. In most cases, the combination of a floating interest rate loan together with an interest rate derivative resulted in a lower fixed interest rate for the client than the alternative of a loan with a fixed interest rate.

At the request of both the AFM and the Dutch Ministry of Finance, a dedicated project team within the bank undertook a review of all SME client files containing interest rate derivatives. The review was aimed to determine whether the bank has acted in accordance with its duty of care obligations in connection with the sale of interest rate derivatives to its SME clients.

The review of these files was completed during 2015, and all 4,500 SME client files have been reviewed. The outcome of the review is that in several instances ABN AMRO is unable to determine conclusively that it has fully complied with its duty of care obligations in connection with the sale of interest rate derivatives to SME clients. In these cases it could not be fully established that clients were sufficiently informed about the risks of their particular combination of floating rate interest loan and interest rate derivative, specifically in the scenario of declining interest rates.

For example, the review revealed cases of a mismatch between the loan and the interest rate derivative. This could be caused by an early prepayment of the loan or mismatches in other features of the loan and the interest rate derivative. A mismatch could lead to the relevant SME client being overhedged. As a result, these SME clients are faced with a risk exposure which is in most cases equal to the difference between the floating interest rate to be received and the fixed interest rate to be paid in the interest rate derivative, to the extent of the overhedge. To resolve the overhedge situation, the interest rate derivative has to be fully or partially unwound. However, as a result of the declining floating interest rates, the interest rate derivative has a negative mark-to-market value. Pursuant to the terms of the interest rate derivatives contract, the mark-to-market value has to be settled by the parties when unwinding interest rate derivatives. This settlement results in a payment obligation by the SME client, which is similar to the penalty paid upon early repayment of an equivalent fixed interest rate loan.

Following a case-by-case duty of care analysis, the bank has in a number of SME client files agreed to (i) fully or partially unwind the interest rate swap and/or (ii) partly compensate the SME client. ABN AMRO aims to provide an appropriate solution, if applicable, to all other relevant SME clients before the end of 2015. ABN AMRO has recognised a provision for the anticipated compensation amounts.

Provision for mortgage administration inconsistencies

Other provisions include a provision for inconsistencies between the administration of the bank and business partners with respect to one of our mortgage products. The recorded provision is a best estimate.

19 Commitments and contingent liabilities

(in millions)	30 September 2015	31 December 2014
Committed credit facilities	20,018	16,164
Guarantees and other commitments:		
Guarantees granted	2,569	2,592
Irrevocable letters of credit	5,442	5,499
Recourse risks arising from discounted bills	5,876	7,243
Total guarantees and other commitments	**13,887**	**15,335**
Total	**33,905**	**31,498**

Commitments and contingent liabilities as at 30 September 2015 amounted to EUR 33.9 billion, an increase of EUR 2.4 billion or 8% as compared to EUR 31.5 billion as at 31 December 2014. This increase was mainly caused by an increase of EUR 3.9 billion in the Committed credit facilities offset by a decrease of EUR 1.4 billion in the recourse risks arising from discounted bills.

The increase in Committed credit facilities of EUR 3.9 billion to EUR 20.0 billion is mainly related to the credit lines granted to corporate clients (EUR 3.7 billion).

Other contingencies

ABN AMRO is involved in a number of legal proceedings which relate to the ordinary course of business in a number of jurisdictions. In presenting the Condensed Consolidated Interim Financial Statements, management makes estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable. Charges other than those taken periodically for defence costs are not established for matters when losses cannot be reasonably estimated.

On the basis of information currently available, and having taken legal counsel, ABN AMRO believes that the outcome of these proceedings is unlikely to have a materially adverse effect on ABN AMRO's interim financial position and interim result. For a list of the main relevant legal proceedings, see Note 32 of the 2014 Annual Financial Statements.

Cross liability

Section 2:334t of the Dutch Civil Code requires that in the event of an entity being divided into two or more parts through a legal demerger, each part remains liable to the creditors of the other demerged part. Such liabilities relate only to obligations existing as at the date of the legal demerger. As explained in more detail in Note 32 of the 2014 Consolidated Annual Financial Statements, ABN AMRO was subject to one demerger in 2010, with RBS N.V.

Indemnity agreement with the Dutch State

On 1 April 2010 ABN AMRO signed an indemnity agreement with the Dutch State (currently represented by NLFI) for a shortfall in capital above a certain amount related to specific assets and liabilities of RFS Holdings B.V. In July 2015 ABN AMRO was informed by NLFI about a claim it had received from RBS relating to these assets and liabilities in RFS Holdings B.V. This gives NLFI the right to file a claim with ABN AMRO even though ABN AMRO has been informed by NLFI that it will not file this claim with ABN AMRO based on the information available as of the publication date of these Condensed Consolidated Interim Financial Statements. This situation could change in the future.

20 Related parties

As part of its business operations, ABN AMRO frequently enters into transactions with related parties. Parties related to ABN AMRO include NLFI with control, the Dutch State with significant influence, associates, pension funds, joint ventures, the Managing Board, the Supervisory Board, close family members of any person referred to above, entities controlled or significantly influenced by any person referred to above and any other related entities. Loans and advances to the Managing Board, the Supervisory Board and close family members, where applicable, consist mainly of residential mortgages granted under standard personnel conditions. For further information see note 34 of the Annual Financial Statements 2014. ABN AMRO has applied the partial exemption for government-related entities as described in IAS 24 paragraphs 25-27.

Balances with joint ventures, associates and other

(in millions)	Joint ventures	Associates	Other	Total
30 September 2015				
Assets	216	380		597
Liabilities	449	895		1,344
Irrevocable facilities		29		29
Nine months 2015				
Income received	26	35		61
Expenses paid	12	19	212	243
31 December 2014				
Assets	20	325		345
Liabilities	161	749		910
Irrevocable facilities		40		40
Nine months 2014				
Income received	24	34		58
Expenses paid		19	372	391

Balances with the Dutch State

Transactions conducted with the Dutch State are limited to normal banking transactions, taxation and other administrative relationships. Normal banking transactions relate to loans and deposits, financial assets held for trading and financial investments – available for sale, and are entered into under the same commercial and market terms that apply to non-related parties.

(in millions)	30 September 2015	31 December 2014
Assets:		
Financial assets held for trading	2,893	897
Financial investments – available for sale	6,440	6,884
Loans and receivables – customers	1,079	1,606
Other assets	99	22
Liabilities:		
Due to customers	1,799	1,968
Subordinated loans		1,654
	Nine months 2015	Nine months 2014
Income statement:		
Interest income	113	110
Interest expense	89	97
Net trading income	-12	6
Net fee and commission income	1	-3
Other income	1	1

Transaction and balances related to taxation such as levies in the Netherlands are excluded from the table above.

In the first nine months of 2015, a final dividend of EUR 275 million was paid to NLFI, bringing the total dividend for 2014 to EUR 400 million; in addition, EUR 350 million interim dividend was paid to NLFI. In the first nine months of 2014, only a final dividend for 2013 of EUR 200 million was paid to NLFI.

Due to customers at 30 September 2015 is related to liabilities the Dutch State acquired from Ageas on 3 October 2008 (EUR 1.8 billion).

Subordinated loans to the Dutch State were fully redeemed in July 2015 (EUR 1.6 billion).

Financial assets held for trading increased by EUR 2.0 billion to EUR 2.9 billion at 30 September 2015 as a result of primary dealership and client facilitation activities.

As from Q3 2015, ABN AMRO no longer has an associate interest in RFS Holdings B.V. as the underlying assets and liabilities have been transferred.

Royal Bank of Scotland (RBS) is the legal owner of specific Consortium-shared assets and liabilities. These assets and liabilities are for the risk and reward of RBS, Santander and the Dutch State as the shareholder of RFS Holdings B.V. On 1 April 2010 ABN AMRO signed an indemnity agreement with the Dutch State for a shortfall in capital above a certain amount related to specific assets and liabilities of RFS Holdings.

21 Post balance sheet events

The AFM has reviewed five client files of non-professional SMEs that bought interest rate derivatives between October 2010 and January 2013. The AFM concluded with respect to these files that the Group has insufficiently looked after the interests of its clients (breach of duty of care) and that the recordkeeping of the Group with respect to these files was inadequate. The AFM imposed two fines in relation to these findings. One fine with respect to recordkeeping is an amount of EUR 2 million and was made public on 23 October 2015. The second fine, dated 20 October 2015, is an amount of EUR 750,000 and concerns the AFM's finding that the Group from 25 October 2010 up to and including 10 January 2013 in an insufficiently honest, fair and professional manner promoted the interests of its clients when it provided investment services. This results in a breach of article 4:90 FMSA. The Group will object against this second fine. The fines could lead to increased litigation in respect of interest rate derivatives sold to SMEs.

In October 2015, DNB imposed a fine of EUR 625,000 related to its Private Banking operations in Dubai because the Group did not comply with its obligations pursuant to article 2 of the Dutch Anti-Money Laundering and Counter-Terrorist Financing Act to make sure that its branch in Dubai would carry out customer due diligence equivalent to the customer due diligence set out in the Dutch Anti-Money Laundering and Counter-Terrorist Financing Act. The Group's Head Office oversight of the branch was insufficient as it was based on an insufficient identification of inherent money laundering risks at the Dubai branch in relation to its Private Banking clients.The DFSA imposed a related fine of USD 640,000.

Review report

To: The Shareholder, Supervisory Board and Managing Board of ABN AMRO Group N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 September 2015 of ABN AMRO Group N.V., Amsterdam, which comprises the condensed consolidated statement of financial position as at 30 September 2015, the condensed consolidated income statement and the condensed consolidated statement of comprehensive income for the three months period and nine months period ended 30 September 2015 and the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months period ended 30 September 2015 and the notes. The Managing Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2015 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 6 November 2015

KPMG ACCOUNTANTS N.V.

D. Korf RA

other

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Information on our website does not form part of this Quarterly Report, unless expressly stated otherwise.

Disclaimer & cautionary statements

ABN AMRO has included in this document, and from time to time may make certain statements in its public statements that may constitute "forward-looking statements". This includes, without limitation, such statements that include the words "expect", "estimate", "project", "anticipate", "should", "intend", "plan", "probability", "risk", "Value-at-Risk ("VaR")", "target", "goal", "objective", "will", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations on such expressions. In particular, the document may include forward-looking statements relating but not limited to ABN AMRO's potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties.

Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions on future events, many of which, by their nature, are inherently uncertain and beyond our control.

Factors that could cause actual results to differ materially from those anticipated by forward-looking statements include, but are not limited to, (macro)-economic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing.

Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

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